



Daily Report

Central Eurasia

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Talks Held With Iran on Nagorno-Karabakh

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[By *ITAR-TASS* correspondent Oleg Kuzmin]

[Text] Tehran, 25 Jun—The latest round of Iranian-Russian consultations on achieving a Karabakh settlement was held today in the Iranian capital. The participants included Vladimir Kazimirov, a plenipotentiary representative of the Russian president and the head of the Russian mediation mission; and Morteza Bank, director general of the Islamic Republic of Iran's Foreign Ministry.

V. Kazimirov told an *ITAR-TASS* correspondent after the consultations that they had discussed the proposals to settle the crisis that had been put forward by Russia and within the framework of the Minsk Group of the CSCE. The Iranian representatives assessed Moscow's initiatives as "close to the requirements of reality." For our part, V. Kazimirov noted, we consider the Iranian position to be well considered and marked by an understanding of the objective situation. Iran showed an interest in achieving the swiftest possible settlement and cessation of hostilities. "In the Karabakh conflict there is no side that has not suffered," V. Kazimirov said, "and there can be no winner. Those involved in the conflict have, of course, sustained differing losses. We understand the pain of Azerbaijan, which has lost so much territory and has had to deal with the appearance of such a large number of refugees. Nor, however, have the Armenians gained anything from the war." According to the Russian presidential representative, during the consultations the Iranians did not display any partiality toward any of the sides involved in the conflict.

In the course of a news conference in Tehran, Iranian President 'Ali Akbar Hashemi-Rafsanjani emphasized that the Islamic Republic is ready to do everything it can to halt the bloodshed in the Transcaucasus. Answering a question from the *ITAR-TASS* correspondent, he stated that "Iran considers Azerbaijan to be the injured party."

It was agreed that the next round of consultations will be held in Moscow.

Shakhray on Proposed CIS Confederation

MK2406080594 Moscow *NEZAVISIMAYA GAZETA in Russian* 24 Jun 94 pp 1, 3

[Interview with Sergey Shakhray, Russian deputy prime minister and leader of the Party for Russian Unity and Accord [PRUA], by Sergey Vasilyev under the "First-Hand" rubric; place, date not given: "From Commonwealth to Confederation. Sergey Shakhray Believes That the Situation in the Post-Soviet Space Is Related to Internal Processes in Russia"]

[Text] [Vasilyev] Sergey Mikhaylovich, Nursultan Nazarbayev has put forward the idea of creating a Eurasian

Union. A few months ago the Party for Russian Unity and Accord [PRUA] published its own draft Confederal Agreement...

[Shakhray] Our interest in the problem can be said to be "transparent." First, the party's course toward deepening integration was stated in the PRUA electoral platform, and we think we are obliged to deliver on the pledges given to our voters. Second, these processes are directly related to what is going on inside Russia itself. The Russian Federation is far from indifferent to how our compatriots feel in the "new abroad." And finally, third, entirely new economic and geopolitical foundations have now had time to emerge in order to bring closer together peoples who have traditionally been linked for historical and economic reasons.

[Vasilyev] What specific steps are you going to take in that direction?

[Shakhray] You probably know that literally a week ago we held a "roundtable" of scientists and politicians devoted to the problems of the new integration within the post-Soviet space. It luckily coincided with the initiative by our Kazakhstani colleagues—Nursultan Nazarbayev's blueprint for a Eurasian Union. The roundtable brought together representatives of nearly all Commonwealth republics, some delegations were represented by deputy prime ministers and ambassadors. We discussed all sorts of aspects of the emerging integration process.

Matters of the legal formalization of these processes and phases of agreed actions were also discussed. Participants in the discussion agreed that only consistent, businesslike, and balanced talks on forging new interstate relations can help set up a rational basis for cooperation, whether it is called a European Union or a Confederal Commonwealth.

[Vasilyev] Don't you fear that initiatives of this kind may "explode" the existing Commonwealth of Independent States by proposing in its stead still vague forms of a new, albeit closer, integration? After all, any fruit must be given time to ripen....

[Shakhray] What you call the "fruit" has long been overripe. It is another matter that it would by no means serve our interstate interests to allow processes to unfold outside official collaboration channels. Following up on your metaphorical argument, one might say that the fallen fruit should be picked up by the "right" partners suited for international relations, namely official structures and officials entitled to resolve these matters.

I state with the utmost responsibility that the logic of the new unification must fit in with the logic of the development of cooperation within the CIS regardless of whether 5 or 10 states are willing to form the confederation. We insist that the Commonwealth be maintained and enhanced, and we see agreements within the CIS as the sine qua non for holding talks on setting up a confederation. The Russian leadership should finally

name official participants in the process so as not to leave this to extremists. This is our first condition. Second, we oppose a rash, "across-the-board" solution to the problem. A decision based on considerations of political expediency. Third, we do not think it possible to hold talks within so "narrow" a circle of participants, even if it is made up of historically and ethnically close countries such as Ukraine, Belarus, and Russia. Russia is more than just an Orthodox country. Moreover, Muslim peoples account for one-third of its population. Here there can be no prior "selection" on the basis of ethnic or political criteria.

[Vasilyev] How do you see this future state alliance so far cautiously called a form of "further deepening of integration"?

[Shakhray] The initiatives of the PRUA and the Kazakhstani president have sparked an unexpected discussion of the following question: What is preferable—a confederation or a Eurasian Union? We do not think that these initiatives are in any way opposed to each other. The project of our counterparts from Kazakhstan effectively also entails a confederal form of integration. This is the reason why Russian Foreign Minister Andrey Kozyrev's statement that Russia is certainly ready to hold talks on a confederation, but as for the Eurasian Union plan, it will do so only after "specific decisions are made by parliaments and political leaderships" does not appear valid.

The problem lies completely elsewhere: What forms of confederal cooperation are currently acceptable—economic, political, or security collaboration? Can one set up new confederal structures covering the entire range of interstate relations or not? In that regard, the practice of the current CIS institutions, including its Executive Secretariat, can give us lots of hints.

Evidently we should pick and choose among agreements within the CIS that have already been signed: Some of them have already surpassed the level of interstate agreements and evolved into confederal ones without asking for permission; some documents do not work at all; in other areas "virgin territory" from a legal point of view is emerging, and so forth. This expert appraisal of sorts, for starters, will make it possible to single out the legal framework for effective integration and to identify "bottlenecks" and "blank spots" in the treaty foundation.

Just as important for the search for the foundation of a confederation is analysis of agreements concluded at the interregional or, if you like, "border" level between the CIS countries. For instance, between Russia's Omsk, Orenburg, Chelyabinsk, Kurgan, Tyumen, and Novosibirsk Oblasts and Altay Kray and Kazakhstani oblasts bordering them; between Russia's Belgorod, Kursk, Bryansk, Rostov, and Voronezh Oblasts and the neighboring Ukrainian oblasts. In many instances these are readymade "prototype" models for the regulation of future relations. It is the border areas closely tied

together by the need to pursue a coordinated economic policy, intensive trade, and, in a way, "regional diplomacy" that have brought into being forms of cooperation that come closest to the model of a confederation.

Finally, we should make up our mind with regard to medium- and long-term tactics in solving the following problem: Who will be integrated and on what basis, and also when and in how many stages can the integration be carried out?

[Vasilyev] Are you also a proponent of giving the economy priority in integration?

[Shakhray] Not quite. At present, the new confederation's most urgent task is finding a solution to the problem of crime, which, as is well known, does not recognize borders. The second most important task is to ensure the CIS states' collective security. Economic cooperation sort of "permeates" these clusters of problems, ensuring that urgent economic and financial matters are resolved. In particular, the problem of nonpayments and mutual settlements with the states where the Russian ruble still "operates" has yet to be resolved. Something else that is on the agenda is joint investment in projects of "Eurasian importance," for instance, those same problems of border protection or the struggle against crime. But large-scale economic integration will become possible only when we are able to harmonize the legal foundations of economic activity, which have already "run far away" from each other, and to settle mutual debts. There should be no illusions here.

[Vasilyev] To what extent are the CIS countries' new entrepreneurial structures and banking capital interested in the new integration?

[Shakhray] There is no need to rack one's brain for examples. For instance, back in April there was an international conference of central and commercial banks of the Commonwealth countries. They called for an Interstate Bank and a payment union within the CIS. They are already drawing up independent proposals on these matters. From this point of view, we should welcome and give every possible support to private and state initiatives by industrialists, entrepreneurs, and financiers objectively aimed at "sewing together" the economic fabric of the CIS countries, which has come unraveled.

It is important to support the particular trends that have emerged very recently that I would call manifestations of personal freedom. The new entrepreneurs, new economic managers, and new financial-industrial groups are interested in such integration just as much as those who still feel nostalgia for "the greater homeland." These people born of the new epoch can devise forms of economic integration that cannot be broken by any "iron fist" or someone's nationalist logic.

Our multinational working group is ready to cooperate with all business leaders who see integration as something they have a long-term personal stake in. After all, these are the interests of the Russian state.

[Vasilyev] What other forms of dialogue at the interstate level could you suggest?

[Shakhray] Why shouldn't we suggest that the presidents of our republics—members of the CIS Council of Heads of State—set up a new deliberative body at this level modeled on the Presidential Council? Why shouldn't this "CIS Presidential Council" set as its main goal the enhancement of the strategy and tactics of reintegration? Let this council be formed not ex officio, but by mutual consent by those who can really contribute to taking efficient, effective, carefully weighed steps along the path of integration between the Commonwealth countries. In that regard it is important that it include not only public figures, scientists, experts, and analysts, but also industrialists, bankers, and also distinguished mass media leaders, those of them who have already made significant headway in creating a single cultural-information space in the CIS countries.

[Vasilyev] At what other levels can the negotiating process also unfold?

[Shakhray] This is already happening in reality. Our "roundtable" and a number of other forums devoted to this particular problem held in a whole range of the CIS countries within the past month alone have shown that the main sponsors of the movement are citizens themselves—members of political parties, public organizations, scientists. If we manage to set up an interstate commission, it will be tasked with preparing an analysis of the entire body of CIS documents with a view to enhancing integration and working out an official stance on forming confederal bodies that will be presented in a report to a CIS summit. Another group that will operate in parallel with the interstate commission is the multinational working group to be set up in accordance with the results of the "roundtable." It will be assigned the role of a civic expert on confederation matters. We invite representatives of political forces in all the CIS countries, not just Russian public groups, to take part in its activity.

A significant number of public action centers have already emerged—they are reintegration's "spearheads," as it were: the multinational working group, the Eurasian Commonwealth Charter, the "Eurasia 21st Century" project, and others. Given the lack of a coordinating strategy, this multipolar movement is already giving rise to jealous fears that "everyone is beginning to grab more than their fair share of the Eurasian cake."

I think that there should be no such fears. As for me, I do not cling to priorities or personal trappings of distinction. It will be good if the multinational working group makes an effective contribution to furthering the ideas of a confederal Eurasian Union, but it will be not bad, either, if the forum called "Toward a New Accord" sends

strong impulses in that direction as well. Let us join forces and try to raise our civic, public initiative to an even higher level.

[Vasilyev] Kazakhstani President Nursultan Nazarbayev has chosen the idea of Eurasia as the ideological component for the new integration processes. Do you think it will be a sufficient basis for an effective future confederation?

[Shakhray] There is no denying that the idea of Eurasia in itself symbolizes the unity of the destinies of the peoples in the current so-called "post-Soviet space." It cannot be ruled out that public opinion might more naturally accept some other integration ideology—this is still a matter open for discussion. But at present it is clear that Eurasianism, as was the case earlier, has again become the banner of a very difficult, "transition" period. It has yet again reminded us of "the desire for a common cause" typical of our peoples, a desire that tends to awaken at the direst moments of history. Let us hope that this time around the idea will serve as a reminder of common roots, traditions, and joint, fruitful policy.

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["Press Review"—ITAR-TASS headline]

[Text] Moscow June 25 TASS ROSSIYSKIYE VESTI carries a report about the concluding of Viktor Chernomyrdin's visit to the U.S. Under the headline "Al Gore Enthusiastic, Chernomyrdin Reserved." The Russian prime minister attended in the U.S. a regular session of the intergovernmental Russian-American commission on economic and technological cooperation. U.S. Vice President Albert Gore described the results of that work as remarkable success.

TRUD publishes in this connection an interview with Chernomyrdin, who assures the public that the money spent on the visit did not go to waste, including from the social point of view. "What are actually the contracts on space exploration that the delegation is bringing home?" the journalist asked Chernomyrdin. The prime minister said in reply that "in fact, they mean support for our industry, specifically, its branches connected with arms manufacturing, those where conversion is now going on, which are in a difficult situation today." He pointed out that Russian-American relations were assessed only in a positive way and rejected inventions of those "prophets" by both sides of the Atlantic, who predict the worsening of those relations. "This is out of the question. Our relations are improving and will continue to improve," Chernomyrdin said.

The newspaper carries contradictory comments of deputies to the State Duma about the recent decree of President Yeltsin "On urgent measures to protect the population from gangsterism and other manifestations

of organised crime." For example, A. Ledzins from the December 12 group believes that if the decree is put into effect, this will get Russia back by more than 50 years, to the period when the dividing line between law and arbitrariness actually ceased to exist. However, N. Travkin, leader of the Democratic Party of Russia, thinks that it is too late already to try and resolve the crime problem with the help of civilised methods. "Instead of arguing with the decree, it is necessary to adopt as quick as possible the laws that will permit to really start tackling it," he said.

KRASNAYA ZVEZDA and other newspapers highlight President Yeltsin's statement at the Kerkira island, Greece, who said that the agreement on partnership and cooperation between the Russian Federation and the European Union, signed there, is a document of great historic importance, which made it possible to take a decisive step towards the restoration of unity in the European continent. In the opinion of KOMSOMOLSKAYA PRAVDA, one of major results of Yeltsin's trip is that the European Union and Russia will start looking for ways to create a free trade zone.

KRASNAYA ZVEZDA publishes an interview with Aleksandr Tushinskiy, first deputy defence minister of Belarus, who is advocating the restoration of ties between the two countries, including between Russian and Belarusian arms-manufacturing enterprises.

NEZAVISIMAYA GAZETA highlights the results of presidential elections in Belarus, where, according to the preliminary results, the lead was captured by Aleksandr Lukashenko, head of the parliamentary anti-mafia commission, who got 40-45 per cent of votes. In this connection the newspaper describes as "political amateurishness" appeals in the State Duma, specifically those of Konstantin Zatulin, chairman of its committee for ties with CIS member states, who urged at a special press conference to support Belarusian Prime Minister

Vyacheslav Kebich at the elections in Belarus, and ex-prime minister Leonid Kuchma—at the elections in Ukraine. In the opinion of the newspaper, Ukrainian President Leonid Kravchuk is "the only politician who is capable of keeping Ukraine away from sliding down from economic difficulties to political confrontation of individual regions and social groups."

SOVETSKAYA ROSSIYA writes that, by voting for Lukashenko, "Belarusians actually voted against Yeltsin," because the Russian president had a meeting with Kebich shortly before the elections. The newspaper describes Kebich's visit to Moscow as a "gross mistake". In its opinion, the trip eroded his prestige, because Yeltsin is not popular in Belarus.

This same idea is expressed by PRAVDA in its article on this subject, which is entitled "Lukashenko Packing Suitcases of his Rivals." The newspaper highlights the words of Yuriy Belov, chairman of the central executive committee of the Communist Party of the Russian Federation, who believes that "socialism has not disappeared, because the communist movement in Russia has not disappeared either." In his opinion, opponents of socialism "are especially afraid of its new image", which is in line with historic traditions of the great Russian nation.

NEZAVISIMAYA GAZETA carries an article about prospects of settling the Russian-Chechen crisis. It writes that the relations between the two countries (on the level of authorities) "have entered a new stage of development." President Yeltsin's decision to start talks with the Chechen authorities, the recent trip of Chechen President Dzhokhar Dudaev to Sochi and the "pro-Yeltsin tone of official statements coming now from Grozny" are proof to that, the newspaper points out. However, the initial stands of the two sides are diametrically opposed to each other, and this is why the talks are not going to be easy.

Further on Yeltsin Attending EU Meeting in Corfu

Meets Kohl, Delors

LD2406165294 Moscow ITAR-TASS in English 1612 GMT 24 Jun 94

[Text] Moscow June 24 TASS—Russian President Boris Yeltsin met President of the Commission of the European Union Jacques Delors and German Chancellor Helmut Kohl at the Kerkira mayor's office today to discuss the implementation of the Russian-European agreement, major projects of economic cooperation and prospects for the Russian joining of the G7 activities, the press service of the Russian state head reports.

The meeting with Helmut Kohl also discussed aspects of Russian-German relations, says the press service. "The sides coordinated the program of joint participation in the seeing-off ceremony for Russian troops withdrawn from Germany to be held on August 31," reports the press service.

Agree on Troop Leaving Ceremony

LD2406192294 Moscow ITAR-TASS in English 1812 GMT 24 Jun 94

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[Text] Bonn June 24 TASS—Russian President Boris Yeltsin and German Federal Chancellor Helmut Kohl have managed to agree on details of the seeing-off ceremony for Russian troops withdrawn from Germany during their meeting in Kerkira (Corfu), official representative of the German Government Dieter Vogel told German news agencies today.

Under the agreement, Boris Yeltsin and Helmut Kohl will take the parade of the Russian troops on August 31, 1994. Vogel made no further comments on the issue. He said that the Kerkira summit is not the best place to do it. All the details will be made public early next week upon Vogel's return to Bonn.

Yeltsin Calls Agreement 'Historic'

LD2506171494 Moscow ITAR-TASS World Service in Russian 1634 GMT 25 Jun 94

[By ITAR-TASS correspondent]

[Text] Athens, 25 Jun—Russian President Boris Yeltsin described as "historic" the agreement on partnership and cooperation between the Russian Federation and the European Union signed on 24 June on the island of Corfu. He made this statement while answering questions from journalists at Athens airport before his departure to Russia.

A really historic document has been signed, he said. It was under preparation for a very long time, almost two years. Europe is now the only continent that has lifted all discriminatory measures against Russia. Indeed Russia,

of course, gets certain dividends from this. The states of Europe get a very rich Russian market, and they too, will not lose out by having signed this document.

The president thanked the Greek leadership and Greek Prime Minister Andreas Papandreu for their involvement in the preparation of the agreement, and for creating most favorable conditions for the work of the Russian delegation.

Yeltsin Outlines Benefits

LD2406114594 Moscow Radio Rossii Network in Russian 1000 GMT 24 Jun 94

[Text] Russian President Boris Yeltsin has signed an agreement on partnership and cooperation between Russia and the EU on the Greek island of Corfu. Our special correspondent Ilya Kapelevich reports:

The agreement defines the conditions and stages for the development of economic cooperation between Russia and greater Europe. Over a year and a half were needed to draw it up. The signing of the document was postponed twice. Now it looks as if partnership between Russia and the European Union is becoming a reality. What does it promise for our country?

[Begin Yeltsin recording] We benefit from this agreement. We are entering free trade with Europe on equal terms without any of the discriminatory measures that existed in the past and which still exist in other countries outside Europe. Therefore, this is a wise and strong step by the European Community, all of its leaders and heads of states. I think that a historic step has been made today that will prevent an economic cold war. [end recording]

The treaty encompasses not only various aspects of relations at inter-state level, but also opens up new possibilities for ordinary citizens and enterprises. In accordance with the treaty, the European Union countries will remove all the discriminatory measures against Russian citizens seeking employment in Europe. The procedure for getting visas for those who obtained work illegally will be simplified. Europeans in Russia will enjoy the same rights.

Russian banks now have the full right to work in European countries, while the restrictions on the work of foreign banks in Russia will be preserved for the next two years.

The point of the treaty protecting the activities of European entrepreneurs in Russia against unforeseeable changes in legislation, which happens quite often in our country, is extremely important for European entrepreneurs. The newly introduced restrictions will not affect them for three years from the time they are brought into force.

The agreement envisages the development of a political dialogue at all levels. This will enable the interested parties to maintain permanent contact and to consult on major problems regarding European security.

Yeltsin on EU Trade Boost

LD2306161194 Moscow INTERFAX in English 1545
GMT 23 Jun 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zhrebttsov, Andrey Petrovsky; Edited by Vladimir Shishlin]

[Text] Russian President Boris Yeltsin is convinced that signing of the agreements on partnership and cooperation between Russia and the European Union will help to remove numerous discriminations in trade relations with partners on this continent. Yeltsin voiced this statement on Thursday morning before his departure to the Greek island of Corfu where he is to sign this agreement with leaders of the European Union countries on June 24.

Responding to journalists, Yeltsin said that until now there have been discriminating measures in the relations between the Russian Federation and European Union "we had no quotas for goods export." According to Yeltsin, this draft agreement says that Russia is recognized as a country with an economy of a transition type. He also added that the draft agreement with the European partners establishes the most favored nation regime in trade.

Yeltsin is convinced that this is a very important fact, as well as the establishment of precise dimensions in the sphere of trade and export of goods from Russia.

"Russia will only win thanks to signing of this agreement. This is the first practical move when Russia enters Europe and becomes a European country of full value," Yeltsin emphasized. He made it clear that the draft agreement also determines concrete volumes of quotas, namely "how much uranium and aluminium we shall sell." "Earlier we were not allowed to Europe with these goods and now we have determined how much we can and must sell. This is very good," Yeltsin said.

Mentioning domestic problems, Yeltsin underlined that he does not intend to suspend his decree on measures to combat banditism and organized crime.

IF Note: On Wednesday the lower chamber of the Russian parliament recommended to the president to abstain from introduction of this decree as it assesses this decree as an anti-constitutional one.

In response to our Interfax special correspondent Boris Grishchenko on his arrival to Corfu, Boris Yeltsin declared that "blockade will be lifted from Russia" after the signing of these documents with the European Union. As he said, it is Europe "which will be the first to remove this blockade. However, the blockade on the part of the United States still remains."

The agreement which Yeltsin called "a historic document" will be signed on Friday afternoon. It consists of 81 pages.

In Yeltsin's words, it will help Russia to enter the European market and the Russian market will be open for Europe. "We become equal partners for the sake of mutual benefit," Yeltsin empathized.

Yeltsin Departs for Home

LD2506164594 Moscow ITAR-TASS World Service in Russian 1604 GMT 25 Jun 94

[By ITAR-TASS correspondent]

[Text] Athens, 25 Jun—Russian President Boris Yeltsin left Athens today for Russia. On 24 June, on the Greek island of Corfu, he signed an agreement on partnership and cooperation between the Russian Federation and the European Union [EU]. Yeltsin was seen off at Athens Airport by Greek National Defense Minister Yerasimos Arsenis, Russian Federation Ambassador to Athens Valeriy Nikolayenko, and other officials. The farewell ceremony was simplified as top Greek leaders are staying in Corfu, where the EU summit ended earlier today.

The Russian president travelled from Corfu to the port of Piraievs in the yacht Alexandros, which had served as his residence during the visit.

Paper Comments on EU Deal

PM2406102794 Moscow ROSSIYSKIYE VESTI in Russian 24 Jun 94 p 1

[Report by Yuriy Nikolayev: "Route to Europe Lies Via the Island of Corfu: President Boris Yeltsin Signs Agreement with EU Today"]

[Text] Boris Yeltsin arrived on the Greek island of Corfu yesterday. He will be taking part in the ceremonial signing of the Agreement on Partnership and Cooperation between the Russian Federation and the European Union, which will be held here today.

Although there was no official announcement of President Boris Yeltsin's trip until the last few days, the world public had begun talking about it long ago. And preparation for the Russian guest's arrival was already in full swing on Corfu itself in the runup to the top-level EU Council session. Among other things, the Greek government asked the super-rich shipping magnate Yannis Latsis to put his luxurious yacht, the Alexandros, at our president's disposal during his stay. The yacht was recently used by former U.S. President George Bush when vacationing in Greece.

It is clear therefore why the special services team which has arrived from Moscow includes divers. Representatives of the special services of other countries are also here. Thousands of Greek policemen have been brought in to prevent any possibility of terrorism or sabotage.

However, all the manifold detail of the conference preparation, which is filling the press, does not prevent the public from seeing the main reason for the Russian president's trip to this distant island. He is to sign the

Agreement on Partnership and Cooperation between the Russian Federation and the EU, to cover the next 10 years. Without going into the detail of the almost 100-page package of documents connected with the agreement, it is important to stress that they cover virtually all spheres of collaboration with the EU—economic, political, and cultural.

These include the arrangements governing the trade in goods. This is perhaps the most "painful" issue. It has been resolved that the two parties will grant each other most-favored nation status. The EU does not henceforth regard the Russian Federation as a country with a planned economy but recognizes it as a transitional economy. The agreement envisages the development of cooperation in the basic sectors of the economy, the liberalization of the movement of capital and current payments, rules of competition, the harmonization of legislation in the economic sphere, and much else besides.

Generally speaking, the document to be signed by Boris Yeltsin lays down the principles for the free movement of goods, capital, and services between the parties, on which basis gradual integration of the economies of Russia and the EU will take place. This should provide a healthy economic basis which mutually opens markets and makes it possible to create conditions favorable to the activity of companies and firms and a climate conducive to investment.

We are thus talking about an all-embracing accord, a document which is not only extensive but very far-reaching. It will certainly considerably help Russia to assume the place appropriate to a great power in the world arena.

According to Boris Yeltsin, his visit will be exceptionally useful to the Russian economy. He has described the signing of the agreement as the first tactical move whereby our country "arrives in Europe." Henceforth, he said, discriminatory measures against Russia "whereby we have not been given quotas for the export of goods are overcome." It can be said right now, he stressed, that the new parameters of cooperation and partnership will make it possible to increase exports to European countries. The president added that the transitional nature of the Russian economy had still not been acknowledged in the United States. Barriers to Russian goods had not therefore been abolished there yet.

The EU Council will be examining a host of problems. After the signing of the agreement with Russia, for example, the ceremonial accession of Austria, Norway, Finland, and Sweden to the Union will take place. And yesterday evening the EU countries' leaders organized a dinner with the Russian Federation president at which topical international problems were discussed.

The session will also sum up the results of the Greek representative's six-month chairmanship of the Union. His place will be taken by the representative of Germany.

Further on Chernomyrdin U.S. Visit

Fears for Ties 'Stupid'

PM2706092594 Moscow TRUD in Russian 25 Jun 94
pp 1, 6

[Report by Vissarion Sisnev: "Russia-United States: Package of Agreements. Russian Premier V. Chernomyrdin Answers TRUD Correspondent's Questions"]

[Excerpt] Washington, 24 Jun—[passage omitted] Your correspondent asked V.S. Chernomyrdin to express his opinion.

[Sisnev] Forgive me, Viktor Stepanovich, but I want to repeat a question that I put to you after last year's Washington meeting. TRUD readers, being closer to the problems of everyday life than anyone in our society, will wish to know above all whether this visit will produce anything tangible for ordinary people.

[Chernomyrdin] There is no need to explain to me who TRUD readers are. But I can tell both them and the readers of all other newspapers that money has not been wasted on this trip, in the social sphere or elsewhere. What, essentially, are the space-related contracts that we will be bringing home? They mean support for our industry. For the defense and conversion sectors, which as a rule are in a very difficult position today. And Sakhalin-2? In the long term this is a multibillion contract which provides a solution to funding problems and will create a large number of new jobs.

I see major social benefits here. I should say that generally we do not consider, let alone sign any project unless there is a social program behind it. As for the agreements on ecology and conversion, will they not be of direct benefit to people?

[Sisnev] This is your commission's third session. A major milestone since, as the saying goes, good things come in threes. It is probably already possible to sum up some general results in terms of the effectiveness and the practical usefulness of this mechanism of bilateral partnership, is it not?

[Chernomyrdin] I believe that few bilateral organizations, particularly as young as ours—it is not yet one year old—can honestly claim to have produced such undoubted benefit, and practical benefit too. I can say without exaggeration or bragging that much has been done during this brief time. We, the Russian side, take a very responsible attitude to our obligations in the permanent commission, and it is fair to say the same of our U.S. colleagues. For his part Vice President Gore is trying very persistently to ensure that the mechanism we have created really works efficiently. The chief thing is that we do not shirk any issues, that we are expanding our activity and intend to expand it further.

[Sisnev] You talked for quite a long time with President Clinton. Were political aspects touched on during that conversation? Was an assessment made of the state of

relations between the United States and Russia? As you well know, Viktor Stepanovich, there are "prophets" on both sides of the Atlantic ready at the drop of a hat to predict that these relations will develop into acute rivalry, if not worse—in short, that they will inevitably collapse.

[Chernomyrdin] Of course political problems were discussed. As regards assessments, our bilateral relations were assessed only on a positive plane. They proceed in the ascendant from one presidential meeting to the next. With regard to the claim that relations could "collapse," that is simply stupid. Such a development is ruled out. Relations are improving and will continue to improve—write that down. [Chernomyrdin ends]

Right after this brief interview the chairman of the Russian Federation Government left for Detroit, where his present visit to America will end in talks with the leadership of General Motors, the world's largest motor vehicle building company.

Statement on Trip Results

LD2506164894 Moscow *ITAR-TASS World Service in Russian* 1535 GMT 25 Jun 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow, 25 Jun—The main result of the trip to the United States by Viktor Chernomyrdin, head of the Russian Government, was the achievement of fundamental accords on the cancellation of the discriminatory Jackson-Vanik Amendment and the reforming of the Coordinating Committee for Multilateral Export Controls by Russia's participation. This was said today by Viktor Chernomyrdin at Vnukovo-2 airport on his return from the United States.

In all, the work of the Gore-Chernomyrdin intergovernmental commission resulted, the Russian prime minister said, in the signing of 22 documents on technical cooperation, including in the joint conquest of space. Russia signed space contracts worth in all 200 million dollars. In addition, four agreements were signed with the World Bank on the provision of credits totalling 500 million dollars for road construction and agricultural support.

In effect, Viktor Chernomyrdin stressed, it was a beginning of a breakthrough toward the practical side of Russia's cooperation with U.S. partners.

Viktor Chernomyrdin pointed at a close link between the results of his visit to the United States and Russian President Boris Yeltsin's visit to the island of Corfu, where Russia had signed a document of cooperation with the European Community. "From talking about cooperation we have now come really close to specific actions," Viktor Chernomyrdin said. "During my meeting with Clinton we managed to consolidate the results achieved by the Gore-Chernomyrdin commission." In his view, all the conditions are now in place for the upcoming G-7

meeting in Naples, which is to be attended by President Boris Yeltsin, to end in a transformation of the G-7 into a G-8.

Comments on Russian, U.S. Views

LD2506164194 Moscow *INTERFAX in English* 1510 GMT 25 Jun 94

[Text] On return from the United States on Saturday Russian Prime Minister Viktor Chernomyrdin told Interfax that in the States he had negotiated principled agreement on the elimination of the discriminatory restrictions on bilateral trade.

Chernomyrdin was confident that the Jackson-Vanik amendment would be declared null and void and that there was no chance for the emergence of a new COCOM [Coordinating Committee for Multilateral Export Controls] which jeopardized bilateral relations by introducing restrictions on high tech trade. But, Chernomyrdin said, the United States and Russia no longer showed critical difference of views.

Nonetheless, he said, the Gore-Chernomyrdin commission was planning to submit a few issues, for example, health care, to the attention of the Russian and US presidents.

Chernomyrdin said that 22 Russian-US agreements and 4 agreements between Russia and the World Bank, including those on loans and to the agrarian sector and banking system, for the total worth of half a billion US dollars, were signed during his visit to the United States. Chernomyrdin said 400-million-dollar deals were concluded for cooperation in outer space. And, he said, the two countries had come very close to the conclusion of another batch of space cooperation agreements, for the total worth of 300 Mn dlrs.

Chernomyrdin compared his visit to the United States and talks with President Clinton to Boris Yeltsin's visit to the island of Corfu where a partnership and cooperation agreement was signed between Russia and the European Union. In Chernomyrdin's view, the Russian-EU agreement would help Russia promote new relations with the European nations and belonged in the packet of documents he signed in the United States.

Both President Yeltsin and the Russian government envisaged the stage-by-stage incorporation of Russia into the European Union, Chernomyrdin said. This stage called for Yeltsin's participation in the political part of the G-7 summit, scheduled to be held in July in Naples.

Chernomyrdin made special mention of his talks with the General Motors Corporation which, he said, would like to cooperate with Russia and launch joint projects with the VAZ and ElAZ car plants. It was about time we stopped talking, Chernomyrdin said, and switched over to practical action.

Chernomyrdin hoped that Monday's session of the government's consultative investment council would enable Russia and its western partners to replace negotiations with practical action.

'No Obstacles' to Russian Trade

PM2406144794 Moscow NOVAYA
YEZHEDNEVNAYA GAZETA in Russian
24 Jun 94 p 1

["Own Information" report: "Storage Facility for Weapons-Grade Plutonium Will Be Built on Russian Territory. Russian Premier's Visit to United States Has Been a Success—They Lent Us Money"]

[Text] Russian Federation Prime Minister Viktor Chernomyrdin, who is on an official visit to the United States, has held working meetings with Lewis Preston, president of the International Bank for Reconstruction and Development [IBRD], and IMF Director Michel Camdessus.

At the end of his meeting with L. Preston, the representatives of Russia and the IBRD signed four agreements granting the Russian Federation loans worth a total of \$820 million. We are talking about credit of \$300 million to develop the country's transportation infrastructure, \$200 million to develop the financial and banking system, \$240 million to reform agriculture, and a loan of \$80 million to implement land reform.

Replying to a question from an RIA correspondent, Viktor Chernomyrdin said that he had discussed with the IBRD directors not only current topics but also the prospects for the longer term. For example, an organization might be set up in Russia at the federal level which will concentrate all work with the bank in its hands. The premier also requested the bank's leadership to provide the Russian Federation with assistance in pursuing debts from countries which borrowed money from the former USSR.

Commenting on his meeting with V. Chernomyrdin, IMF Director Michel Camdessus said that at this meeting they merely discussed the general state of affairs in the Russian economy. "We did not mention any loans," he said.

M. Camdessus spoke highly of the measures being undertaken by the Russian Government in the economic sphere. "I am sure that Viktor Chernomyrdin's cabinet will be successful," he noted. It is expected that this summer representatives of Russia and the IMF will begin active work on an agreement for 1995.

Russian Federation Prime Minister Viktor Chernomyrdin believes that the main result of the work done by the Russian-U.S. Commission headed by himself and U.S. Vice President Albert Gore is that it has managed to convince the U.S. Administration of the need to regard Russia as a country with a transitional economy.

Speaking about this in a talk with journalists, the premier also announced that U.S. leaders support the lifting of unjustified trade restrictions against Russia. "Our entrepreneurs should face no obstacles in their work on the world market," V. Chernomyrdin stressed.

He announced that the commission is broadening the scope of its activity. "We are complying with all the decisions we have made and on every occasion we are broadening the circle of problems under discussion," the premier said.

Russian Federation Transport Minister Vitaliy Yefimov, for example, told an RIA correspondent that at the next session of the commission a committee for scientific and technical cooperation in the sphere of transportation could be added to the committees for business cooperation, conversion, the power industry, science and technology, space, and environmental protection.

V. Chernomyrdin said that during the commission's work they had managed to reach agreement on U.S. participation in building storage facilities for weapons-grade plutonium on Russian territory; this plutonium will then be reprocessed into nuclear fuel. The United States has agreed to grant Russia compensation for the dual-purpose nuclear reactors which are being closed down and where weapons-grade plutonium is produced.

In an interview with an RIA correspondent, Russian Federation Atomic Energy Minister Viktor Mikhaylov explained that we are talking about two reactors located in the Tomsk and Krasnodar areas. In the opinion of the Ministry of Atomic Energy, closing them down will cost approximately \$1.1 billion.

Departs U.S. for Russia

LD2506030594 Moscow ITAR-TASS World Service in
Russian 0215 GMT 25 Jun 94

[By ITAR-TASS correspondent]

[Excerpt] Washington, 25 Jun (TASS)— Russian Government Chairman Viktor Chernomyrdin left Detroit for home today upon completion of his visit to the United States. He visited the capital of the state of Michigan after successful talks in Washington during which 26 agreements were signed on the development of Russian-American cooperation in various spheres. [passage omitted]

Moscow Opposes Public Argument With U.S. on Chemical Arms

LD2406120094 Moscow ITAR-TASS in English 1128
GMT 24 Jun 94

[By ITAR-TASS diplomatic correspondent Aleksey Berezhkov]

[Text] Moscow June 24 TASS—"We are against entering into polemic in public about vaguenesses which can naturally arise during the exchange of chemical arms

data between Russia and the United States," a high-ranking spokesman for the Russian Foreign Ministry told ITAR-TASS on Friday in response to a request to comment on remarks by CIA Director James Woolsey, who told U.S. congressional hearings about the U.S. Administration's "serious concern" at Russia-provided data on her chemical weapons.

"We also have serious questions as regards data provided by the Americans. We hope to clear the matters up with the U.S. side during subsequent contacts," emphasised the spokesman who requested anonymity.

Russia and the United States have created a confidence-building mechanism as regards chemical arms on a bilateral basis. The mechanism is in operation and provides for exchanges of data on the military-chemical capabilities of the sides and for consultations should questions arise, the Russian Foreign Ministry spokesman said.

'Russia Has Nothing to Hide' on Chemical Weapons

LD2406133794 Moscow ITAR-TASS in English 1322 GMT 24 Jun 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow June 24 TASS—"Russia does not develop and produce binary chemical weapons," Professor Viktor Petrunin, doctor of chemical sciences, said in an exclusive interview with ITAR-TASS today. The scientist heads the State Scientific Research Institute of Chemical Technology.

According to Doctor Petrunin, the American side was fully acquainted with all works in this sphere even during the preparation of the treaty on a universal ban on chemical weapons. The over all volume of 40 thousand tonnes of poisonous compounds and their location on the country's territory is no more a secret for the world community. Foreign delegations and representatives of ecological organizations have been to all depots, he said.

The recently held international conference on chemical disarmament "Moscon-94" [as received] in Moscow, in the scientist's opinion, had additionally devised technology of destroying chemical weapons. Many foreign specialists have visited scientific research institutes and enterprises of the so-called military-chemical complex. Russian colleagues did not hide from them any secrets, assuming that chemical weapons are a historical anachronism. Many Russian scientists and manufacturers now are more interested in problems of conversion, including financing of the best projects and technologies to destroy and utilise poisonous compounds, the Russian scientist said.

According to Professor Petrunin, Pavel Syutkin, who has been appointed acting chairman of the conventional problems of chemical and biological weapons committee under the Russian president, will "continue openness of

the disarmament programme". Russian scientists are prepared to show laboratories and industrial installations to U.S. specialists, as was done earlier. Russia has nothing to hide. It is sincerely fulfilling its all international obligations," Viktor Petrunin emphasised.

Exports of CBW Components To Be Controlled

PM2406150194 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jun 94 First Edition p 4

[Russian President's Directive No. 298-RP, dated 14 June 1994, "On Control of the Export from the Russian Federation of Causative Agents of Disease (Pathogens) affecting Human Beings, Fauna, and Flora, Their Genetic Mutations, and Fragments of Genetic Material and Equipment Which May Be Used in the Creation of Bacteriological (Biological) and Toxin Weapons"; followed by interview with Pavel Syutkin, deputy chairman of the Russian President's Chemical and Biological Weapons Convention Problems Committee, by Lada Lyashenko under the "Commentary" rubric; place and date of interview not given]

[Text] 1. To approve the Russian Federation Government's list of causative agents of disease (pathogens) affecting human beings, fauna, and flora, their genetic mutations, and fragments of genetic material and equipment which can be used in the creation [sozdaniye] of bacteriological (biological) and toxin weapons whose export is controlled and carried out under license (see appendix).

2. The Russian Federation Government shall ratify the statute on the procedure for the control of the export from the Russian Federation of causative agents of disease (pathogens) affecting human beings, fauna, and flora, their genetic mutations, and fragments of genetic material and equipment which can be used in the creation of bacteriological (biological) and toxic weapons.

3. It is prescribed that the foreign economic activity commodity schedule codes indicated in the list appended to this directive may, if necessary, be clarified by the Russian State Customs Committee in conjunction with the Russian Eksportkontrol [Export Control Committee].

4. The Russian Federation president's directive No. 711-RP, dated 17 November 1992, is deemed to have lapsed.

5. This directive comes into force from the moment of its signing.

[signed] B. Yeltsin, president of the Russian Federation [dated] 14 June 1994

Note. The list is not published.

"We Are Conducting an Open Dialogue"

Pavel Syutkin, deputy chairman of the Russian President's Chemical and Biological Weapons Convention Problems Committee, now comments on this document.

[Syutkin] The Russian President's directive is a kind of stage in the development of our country because this is surely the first time that we have stated clearly and accurately that Russia shares the principles and approaches to the problem of bacteriological and toxin weapons adopted in the civilized world. We have embarked on the path of cooperation and have tacitly begun to cast off the rigid straitjacket which held us tight for many years.

[Lyashenko] The international convention "On the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction" was signed back in 1972. Is Russia today honoring the commitments made by the USSR when it signed this document?

[Syutkin] The president has signed an edict confirming the Russian Federation's succession in law with regard to the Convention's obligations. This means that the development and implementation of biological programs in breach of the convention are prohibited on Russian territory. Control is entrusted to our committee. However, whereas this convention contains detailed measures on the banning and control of chemical weapons, the same cannot be said about bacteriological weapons. There are certain complications here. For example, the basic "raw material"—the human and fauna pathogens, fragments of genetic material, and various types of equipment and apparatus—are dual-purpose. The pathogens are essential for research purposes and apparatus is needed for vaccines, but those same instruments can be used to produce bacteriological weapons. Precise criteria are needed governing prohibition and control. Work to elaborate such an approach is under way but that will take many months, if not years. There have been many international conferences since the convention was signed. There was a conference of countries parties to the convention in Geneva in September (?1991) [final digit indistinct], where Russia openly stated its position for the first time.

[Lyashenko] The list of pathogens and equipment whose export is controlled and carried out under license contains more than 100 named items. However, many of them are not typical of Russia and are hardly ever encountered here, for example, "Rift Valley fever pathogens" and "banana top bushiness pathogens" [vozбудител kустистости verkhushki bananov]. Why have they been included in the list?

[Syutkin] This list was drawn up in accordance with the recommendations of the so-called "Australian group." It was created in 1985 and included the 25 most advanced countries. These countries guarantee the implementation of a unified control of the export of materials and equipment which can be used to create bacteriological weapons. Furthermore, all 25 countries are interlinked by a kind of reciprocal pledge: If one of them refuses the export of any materials or equipment to anyone, the others are obliged to follow that example. This reciprocal provision of information, support, understanding, and

openness help prevent the proliferation of bacteriological weapons. In June 1993, in accordance with the requirements of the international regime controlling the nonproliferation of weapons of mass destruction, the "Australian group" extended and clarified the list of materials and equipment whose export is controlled and carried out under license.

Russians 'Move' Ahead on Yemen Crisis

PM2406144494 London AL-SHARQ AL-AWSAT in Arabic 24 Jun 94 p 2

[Report by Yusuf Shakir: "Russian Ambassador to Cairo: We Have Stopped Arms Shipments to Yemen; Our Recognition of South Depends on Brahimi's Report"]

[Text] Cairo—Russian Ambassador to Cairo Vladimir Polyakov has denied that Russia has provided any military aid to the parties to the Yemeni conflict.

He revealed that Moscow has stopped sending arms shipments to the two warring parties. He stressed that his country's recognition or nonrecognition of the South Yemen state will be determined in the light of the report UN envoy Lakhdar Brahimi is to submit to UN Secretary General Dr. Butrus-Ghali.

The Russian ambassador said following his meeting yesterday with Arab League Secretary General Dr. 'Isamat 'Abd-al-Majid that he had informed the League that Moscow has instructed him to coordinate positions with the Arab League vis-a-vis the Yemeni crisis and to closely monitor what is happening in Yemen. He pointed out that Russia supports an immediate cease-fire and the initiation of a direct dialogue among the conflicting parties. He added that this is in line with the Arab League's position. He revealed that the stage ahead will witness a Russian move on the current situation in Yemen through the results Brahimi is going to reveal in his report on the crisis. However, he did not specify the nature of the move.

Agenda Set for PRC Foreign Minister's Visit

LD2706080294 Moscow ITAR-TASS in English 0717 GMT 27 Jun 94

[By ITAR-TASS diplomatic correspondent Vladimir Solntsev]

[Text] Moscow June 27 TASS—Chinese Foreign Minister Qian Qichen arrives in Moscow on Monday to prepare the second Russian-Chinese summit to be held in September when Chinese leader Jiang Zemin comes to the Russian capital.

The Chinese minister will hold talks in Moscow with his Russian counterpart Andrey Kozyrev. Following them, the sides will initial several bilateral documents to be signed by the Russian and Chinese leaders at the summit.

Qian will meet speaker of the Russian parliament upper chamber Vladimir Shumeyko and will be possibly received by President Boris Yeltsin and cabinet head Viktor Chernomyrdin.

Apart from bilateral relations, the sides will discuss, in the context of preparations for the summit, the most urgent international issues, including the nuclear problem on the Korean peninsula.

The Chinese minister will make a trip to some former Soviet republics, which will last till July 2. Qian will depart from Moscow for Byelorussia [Belarus] on Wednesday. Then, he will visit Lithuania and Estonia.

Panov on Upcoming Visit

LD2406170794 Moscow INTERFAX in English 1533 GMT 24 Jun 94

[From the "Diplomatic Panorama" feature: by correspondents Igor Porshnev, S. Kolosova, and others]

[Text] China's Foreign Minister Qian Qichen is due to come to Moscow on Monday [27 June] evening. On Tuesday he is scheduled to meet with Russian Foreign Minister Andrey Kozyrev. It is not ruled out that Russian President Boris Yeltsin will meet with the Chinese minister as well. Russia's Deputy Foreign Minister Aleksandr Panov reported in his interview with Interfax Friday.

As he said, the parties will continue preparation for an official visit of Chairman of the People's Republic of China Jiang Zemin scheduled for September. "In addition, it is necessary to coordinate our positions on several sharpest international problems, in particular, to discuss preparation for the first ASEAN forum on security which is to be held late July and which head of the Russian Foreign Ministry Andrey Kozyrev is to attend and the situation on the Korean peninsula," Panov said.

He recognized that there are differences in Moscow's and Beijing's approaches towards the Korean problem. "The Chinese count on bilateral contacts. In their opinion, it is more expedient to go "along three roads with four partners" where "three roads" mean bilateral negotiations between North Korea - the United States, North Korea - South Korea, North Korea - IAEA. However, the Chinese do not rule out that it will be necessary to hold an international conference at a certain stage. As far as Russia is concerned, we are not against bilateral relations, however, everyday practice demonstrates that it brings no results. Then why should we become hostages of this form of relations? That's why we persistently call to convene an international conference," Panov said.

He does not rule out that in the course of Qian Qichen's visit the parties will touch upon the problem of demarcation of the Russian-Chinese border. He recognized that until now part of the population in the regions bordering China did not understand principles of demarcation. "They even appealed to denounce the 1991

Russian-Chinese agreement which was ratified by the Russian parliament. This is clearly an unrealistic approach," Panov continued.

He reported that he had recently visited Khabarovsk and met with its residents. In addition, Genrikh Kireyev, head of the Russian delegation at the negotiations on border issues, made a televised address. "We have presented necessary explanations. As a result, those who wanted to understand the situation perceive it as sober-minded people. But it is difficult to persuade those who want to build local policy on this," Panov said.

He reconfirmed that in accordance with the 1991 Russian-Chinese agreement the border will be laid along the fairway of the navigable rivers and in the middle of non-navigable ones. "The thing is that there has been neither any border laid here nor any demarcation. The principle "who is strong he considers that this is his territory" reigns here. Now we start to draw a civilized border, for the first time in the history of the Russian-Chinese relations. - Panov continued. - Naturally, we are to go away from some territories which were occupied by us in the thirties without any notifications and agreements. On the other hand, we shall receive a legal right for other territories."

Panov specially stressed that there is no question about "any dramatic concessions." "If there are any concessions, these are concessions to the international law and sound sense," he said.

Mentioning the fate of the islands of Bolshoy Ussuriyskiy and Tarabarov which are situated near Khabarovsk, Panov pointed out that they "remain in our possession. There are no doubts about this," he noted.

When asked whether the parties would discuss trade-economic cooperation and, in particular, military shipments to China, Panov answered that "they do not stand on the agenda." "These issues were in detail discussed during the recent visit of Premier Minister Viktor Chernomyrdin to Beijing," he explained.

North Atlantic Assembly Delegation Visits St Petersburg

LD2406144194 Moscow ITAR-TASS World Service in Russian 1332 GMT 24 Jun 94

[By ITAR-TASS correspondent Svetlana Ivanova]

[Text] St. Petersburg, 24 Jun—A delegation of parliamentarians of the North Atlantic Assembly has arrived in the city on the Neva. Today they visited the Taurida Palace—the headquarters of the Inter-Parliamentary Assembly [IPA] of the CIS countries.

The representatives of the inter-parliamentary organization of the 16 NATO member-states were interested in the economic situation in the Commonwealth countries and, first and foremost in the parliamentary capital of the CIS. During a conversation with Mikhail Krotov, the

general secretary of the IPA, issues related to the conversion of defense enterprises both in St. Petersburg and in the CIS as a whole, and problems of attracting foreign investments to the former Soviet republics were touched upon. In this connection, Krotov stressed the IPA's special role in creating the legal basis for the market economy on the territory of all the Commonwealth countries and in developing international business contacts.

The sides expressed mutual interest in strengthening further ties between two of the world's major parliamentary structures.

Federation Council Notes Russian Importance to G7

LD2406133494 Moscow ITAR-TASS World Service in Russian 0734 GMT 24 Jun 94

[By ITAR-TASS]

[Text] Moscow, 24 Jun—"The developing format of a political G8, which includes Russia, must ensure that more constructive solutions are reached to pressing international problems, solutions based on mutual respect for the interests of leading states and their responsibility for international security and stability," says a statement which was distributed today by the Committee on International Affairs of the Russian Federation Council. The statement was issued in connection with the summit of G7 countries which will be held in Naples on 9-10 July. The summit will be attended by Russian Federation president Boris Yeltsin.

The results of the economic section of the forthcoming summit meeting will depend in many respects on whether there is a readiness to set about real implementation of agreements reached at previous summits on support for reform in Russia, a readiness to take practical steps to intensify and develop them. The statement stresses that "without Russia's participation it is difficult to see how many global economic problems, including the problem of foreign debt, can be effectively resolved. It has to be recognized that Russia is not just a debtor but also a creditor. Russia, which has inherited the huge debts owed to the former USSR by developing countries, is entitled to participate in the evolution of approaches to this problem by other creditors of third world countries."

Radio on Hope for North-South Korea Talks

SK2606101294 Moscow Radio Moscow in Korean 1000 GMT 25 Jun 94

[From the "Focus on Asia" program]

[Text] The day, 25 June, is the 44th anniversary of the beginning of the Korean war. Station commentator (Mikhail Gretov) writes as follows:

The most tragic day in Korea's national history is 25 June. The Korean war broke out 44 years ago on this day. The South and North were dragged into a severe war. This war, which continued for three years, took over 10 million lives. Millions of people were handicapped and cities and villages were destroyed. The economies of the South and North were paralyzed.

Throughout the world there are continuous disputes over who started the war. Probing into the cause of the war is necessary so that such a tragedy will not be repeated. We must not forget the fact, however, that the armed conflict between the South and North was the first example of confrontation of the cold war era. Using the name of the United Nations, the United States supported the Seoul side. On the other hand, the Chinese Volunteers supported the Pyongyang side and appeared at the battle yard. Also, the old Soviet Union armed the DPRK in all means. Thus, this war grew into the greatest international conflict.

The bloodshed war ended with the signing of the Armistice Agreement, but there is still no peace on the Korean land today after 40 years. The divided two states of the unitary nation continue artificial confrontation.

The Korean nation has been appealing for the country's reunification for the past 40 years, but it seems that reunification will not be achieved easily. This is because the political and economic systems of South and North Korea are too different. Elements of outside forces that instigated confrontation between Seoul and Pyongyang are gradually disappearing.

For example, these days the North Korean leadership proclaimed that it is willing to freeze its nuclear program and come forth to the third round of talks with Washington. A sincere and equal principle must be found in the talks to completely resolve the nuclear issue and improve mutual relations between the United States and the DPRK.

Preparatory work for the first South-North summit talks is being carried out actively. Extensive issues must be discussed at the summit that are directly related to the fate of the Korean nation. Such a summit will ultimately provide a favorable basis to make the situation on the Korean peninsula sound. Also, it will support resolving the task of achieving Korea's reunification.

Report on DPRK Agreeing To Freeze Nuclear Program

SK2406114394 Moscow Radio Moscow in Korean 1000 GMT 23 Jun 94

[From the "Focus on Asia" program]

[Text] The DPRK declared that it is willing to freeze its nuclear program [haek kangnyong] and has informed the United States. U.S. President Bill Clinton said during North Korean-U.S. talks, Pyongyang will not conduct

refueling operations at its reactor in Yongbyon or reprocess [kagong] waste fuel accumulated at the reactor.

International Atomic Energy Agency [IAEA] experts stationed in North Korea will remain at its nuclear facilities [haek taesang]. Responding to Pyongyang's freezing of its nuclear program, Washington said that it will resume high-level talks with the DPRK. The United States will not bring up the issue of economic sanctions against the DPRK at the UN Security Council.

The acute situation over the DPRK nuclear program has remarkably been eased. The situation was extremely aggravated by Pyongyang's refusal of a complete inspection of its nuclear facilities [haek taesange taehan sacharul wanjon surakhaji anatkho] and its declaration on withdrawing from the IAEA.

Recent changes in the situation do not mean that a way to the complete solution of the North Korean nuclear problem has been found, but necessary conditions for a solution to the problem have been prepared.

The international community wants to assure that weapons of mass destruction are not being produced on the Korean peninsula. Russian Foreign Minister Andrei Kozyrev said: If Pyongyang's attempt to possess nuclear weapons is ignored, other countries will try to possess nuclear weapons, following Pyongyang as a model case. Its neighboring countries, such as the ROK and Japan, will actively be engaged in developing nuclear weapons.

Therefore, Russia cannot help but carefully watch the nuclear issue on the Korean peninsula. The situation in Northeast Asia will be normalized only when Pyongyang's nuclear program is clarified. Anyhow, Pyongyang's statement on freezing its nuclear program will make South-North dialogue possible. A South-North meeting is already under discussion. The easing of tensions will make it possible to hold an international conference on the denuclearization of the Korean peninsula.

Conference on Foreign Investments Opens in Moscow

LD2606073594 Moscow ITAR-TASS in English 0630 GMT 26 Jun 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow June 26 TASS—A series of meetings of representatives of the Russian Government, led by Prime Minister Viktor Chernomyrdin, and heads of 14 major transnational corporations opens in the President Hotel today. It is expected that in the course of a three-day direct dialogue a permanent consultative council on foreign investments under the Russian Cabinet of Ministers will be created. It will be headed by Chernomyrdin. The council is expected to meet no less than twice a year.

"The main purpose of the economic council, which is being created for the first time, is to hear attentively the

potential investors," Chernomyrdin said in an ITAR-TASS interview on the eve of the meeting. "We would like to know what ways western business people suggest for increasing investments in Russia, what is hampering their work and how the Russian Government could help remove the unnecessary barriers on their way, including in the sphere of taxation."

Chernomyrdin expressed hope that they would manage to pass over from words to action at the first Moscow meeting in promoting investments in the Russian economy. The firms we invited to take part in the meeting are not at all newcomers on the Russian market, he stressed.

These include the well-known companies Coca Cola, Procter and Gamble, BASF, Mars, Ernest and Young, United Technologies, Citycorp etc. Informal meetings of government officials and business people will be held today, and the main work will start on Monday.

Soskovets Promises Better Climate for Foreign Investors

MK2506113094 Moscow NEZAVISIMAYA GAZETA in Russian 25 Jun 94 p 2

[Sergey Rybak report under the "Investment" rubric: "Oleg Soskovets Trying To Lure Foreign Investors"]

[Text] At a meeting of the World Economic Forum, which ended its work in Moscow yesterday, First Deputy Prime Minister Oleg Soskovets called for foreign investors to step up their operations in Russia. According to government estimates, currently there are 1,316—mostly small—joint ventures operating in Russia. The aggregate foreign share in them is estimated at \$181 million.

The first deputy prime minister's statement was designed to attract as many foreign investors as possible to the Russian economy. In his words, Western investors will soon have an easier time doing business in Russia. This will be helped by the passing of the law "On Concession Agreements, Agreements on Providing Services, and Production-Sharing Agreements with Foreign Investors" and also by amending the law "On Foreign Investment in the RSFSR." According to Mr. Soskovets, these draft documents will shortly be considered by the Government Presidium. Overseas investors' operations will also be facilitated by presidential edicts that will form a third package.

In addition, the first deputy prime minister thought it "advisable to reduce the number of taxes, to cut the value-added tax and profit tax rates for enterprises producing goods and services" at the expense of raising taxes levied on mediatory organizations. Presently a government commission is being set up to improve tax legislation, which will be made up of representatives of federal authorities, economic institutes, and "prominent economic managers."

Oleg Soskovets expects to receive long-term loans for social projects from the World Bank. In his words, "Western assistance is necessary if reform is to succeed in a swifter and less painful fashion."

Hata Resignation Not To Affect Relations With Japan

LD2506113794 Moscow ITAR-TASS in English 1130 GMT 25 Jun 94

[By ITAR-TASS diplomatic correspondent Vladimir Solntsev]

[Text] Moscow June 25 TASS—A decision, announced by Japanese Prime Minister Tsutomu Hata on Saturday, to resign together with the entire cabinet "will not affect the development of Russo-Japanese relations", a high-ranking staff member of the Russian Foreign Ministry, who requested anonymity, told ITAR-TASS on Saturday.

The current developments in the Japanese political life are an internal affair of Japan and the choice of its people, the diplomat said.

As far as Moscow's approach to relations with Japan is concerned, the strategic policy line, determined on the strength of the results of Russian President Boris Yeltsin's visit to Tokyo in October last year, towards large-scale development of bilateral relations and intensification of the political dialogue remains unchanged, he said.

The level of mutual understanding reached between the two sides during the Russian leader's visit rendered the relations between the two countries civilised, taking them out of the category of sensations which were unnecessary at times, the Russian Foreign Ministry staff member said. "We are prepared to continue to maintain such a level of mutual understanding in future as well," he added.

Upon mentioning that he has available so far only preliminary and conflicting information on the latest developments in Japan's political life, the Russian diplomat did not rule out the possibility that Mr Hata will retain the premiership in a new government which the country, judging from everything, will get next week.

Defense Ministry Aide on Georgia Peacemaking Operation

PM2406193394 Moscow ROSSIYSKIYE VESTI in Russian 25 Jun 94 p 1

[Report by Gennadiy Sobolev: "Russian Peacekeeping Forces Move Into Zone of Georgian-Abkhaz Conflict"]

[Text] And so, the political debates are behind us, and tomorrow, 26 June, as announced by Russian Federation

Deputy Defense Minister Georgiy Kondratyev, the operation to maintain peace in the zone of the Georgian-Abkhaz conflict will begin. A sketch map [karta-skema], published today, has been provided for by the agreement on a cease-fire and the disengagement of forces. The security zone must be devoid of heavy combat hardware—artillery weapons and mortars of a caliber exceeding 80 mm, as well as tanks and APC's. This hardware will be withdrawn into "collection areas" which are under the control of UN military observers. It is also planned to pull Georgian troops out of the Kodori Gorge and back across Abkhazia's borders, as well as to disband and withdraw from Abkhazia armed detachments which arrived there from beyond its borders.

Aleksandr Arinakhin, chief of the Russian Federation Ministry of Defense Sector [napravleniye] for the Leadership of Peacekeeping Forces, explains:

"I have just returned from Abkhazia, where, by decision of the Federation Council, the Russian forces' peace-making operation is getting under way. Right now, our subunits are being moved out there. We are expecting other Commonwealth countries to participate in this operation. I think it will be a success: Third time lucky, as they say, and this is the third time we will be separating the warring sides.... So the third attempt should be successful. A dispute is now going on over why Russia does not have an international mandate for the right to conduct such operations. But it had no such mandate before, during the previous operations, and it would seem that, owing to the indecision of the United Nations, we will not get one in the near future either. Although nor do we see evidence of any ardent wish on the part of the international organizations to quell the conflicts on the territory of the former Union.... Which is why we have to act on the basis of our laws and international treaties. Let me remind you: Both Abkhazia and Georgia requested Russia to carry out the peacemaking operation. I will add that the experience of past years has shown that Russian peacemaking forces operating in conflict zones do not under any circumstances use weapons against peaceful inhabitants. So it is that our soldiers understand the complexity and the specifics of the forthcoming operation, and they are prepared for it."

Kozyrev Informs Security Council of Abkhaz Mission

LD2406132294 Moscow ITAR-TASS World Service in Russian 1918 GMT 23 Jun 94

[By ITAR-TASS correspondent Boris Sitnikov]

[Text] United Nations, 23 Jun—Russia has officially informed the UN Security Council that CIS collective peacekeeping forces are being deployed in Abkhazia for a period of six months in order to prevent fresh bloodshed in the conflict zone. This is stated in a letter from Russian Federation Foreign Minister Andrey Kozyrev to

UN Secretary-General Butrus Butrus-Ghali which was distributed here today as a Security Council document.

"The situation in Abkhazia and in the Republic of Georgia remains very tense and there is a continuing threat of fresh bloodshed. The fact that there are still over 250,000 refugees and displaced persons there means that no eventuality can be ruled out. This includes the possibility that elements which are not under the control of either side could destabilize the situation," A. Kozyrev noted.

The minister pointed out that although the international community realizes that a peace-keeping operation in the Abkhaz region "is indispensable," it has been reluctant to adopt a decision on forming a UN force for peacekeeping in Abkhazia, on the grounds that "conditions are not ripe" yet. "However, as far as the peace-keeping operation is concerned, the time factor has now become critical if peace is to be secured and the necessary conditions created for further progress toward a political settlement," A. Kozyrev stressed.

He recalled that in the agreement on a cease-fire and disengagement of forces, which was signed in Moscow on 14 May, the Georgian and Abkhaz sides appealed to the Council of CIS Heads of State to adopt a decision on the use of collective peacekeeping forces in the zone of the Georgian-Abkhaz conflict. Furthermore, the parties sent a special appeal to President Boris Yeltsin of Russia, who is chairman of the Council.

"Acting on the basis of Chapter XIII of the UN Charter, the commonwealth decided to send collective forces to the conflict zone for a period of six months. An advance party, consisting of Russian forces already stationed in Abkhazia, is being deployed right away," the document says.

It points out: "The commonwealth is not seeking to take the place of UN efforts, but to help create the best possible conditions for them to work. Therefore, it is important to establish, right from the outset, close cooperation between the peace-keeping forces and the UN observer mission in Georgia. We hope the Security Council will decide to increase the strength of this mission and to expand and clarify its mandate."

Russia expressed hope that the establishment under UN auspices of a special voluntary fund to finance peace-keeping operations in Abkhazia "will help to attract a wide range of states to peacekeeping work."

Troops in Tajikistan Placed on Alert

LD2406202294 Moscow Radio Rossii Network in Russian 1800 GMT 24 Jun 94

[Text] Russian border guards in Tajikistan have been put on military alert and the units on guard where Russian border guards and their families live have been reinforced, Vladimir Novikov, chief of staff of the directorate of the Russian border guards in Tajikistan, said

today in Dushanbe. He also said that some of the Russian border guards at the Tajik-Afghan border will be transferred to Dushanbe to protect Russian servicemen and ethnic Russians living in the city.

Reshuffling of Envoys to United States, UK, UN Planned

LD2406132094 Moscow ITAR-TASS in English 1258 GMT 24 Jun 94

[By ITAR-TASS correspondent Aleksandr Nechayev]

[Text] Moscow June 24 TASS—Russian Deputy Foreign Minister Sergey Lavrov will evidently replace Yuliy Vorontsov as Russian U.N. chief delegate if the latter is approved as ambassador to the United States.

A high-ranking official at the Russian Foreign Ministry who refused to be identified, told ITAR-TASS on Friday that "the Vorontsov-Lavrov link continues to operate". Lavrov is now in New York. Talks that Lavrov may replace Vorontsov at his post, started last year for the first time.

Lavrov's possible appointment will complete a series of planned reshuffling among Russian leading ambassadors. Russian First Deputy Foreign Minister Anatoliy Adamishin will evidently replace Boris Pankin in London while Vorontsov will most likely go to Washington to occupy the post held by Vladimir Lukin, the present chairman of lower house Committee on International Affairs.

Admiral Gromov Sends Message on Fleet Control

LD2406130494 Moscow INTERFAX in English 1053 GMT 24 Jun 94

[Text] The future of the Black Sea Fleet [BSF] is under control by the Russian president, government, defence ministry and the Russian Navy's chief command and will be resolved on the basis of bilateral agreements signed with Ukraine. This follows a cable from Commander-in-Chief of the Russian Navy Admiral Felix Gromov to BSF Commander Admiral Eduard Baltin.

Baltin is asked to let the BSF officers and men know that no statements from some Ukrainian military officials will be able to hinder a solution to the problem in exactly that way.

In a speech in Sevastopol on Tuesday, Commander of the Ukrainian Navy Vice Admiral Vladimir Beskorovainy said that Sevastopol was a Ukrainian naval stronghold while the Russian Navy could be deployed there as one of a foreign state under a leasing agreement spread over a period of 15 to 25 years.

For its part, the press service of the Russian Navy in a statement on Thursday said that "in the emerging situation, such statements by the chief of the Ukrainian navy department are aimed at unsettling the situation over the BSF". These address those forces in Ukraine which

assume extremely nationalist positions in resolving a highly complicated problem in relations between two fraternal Slav nations, says the statement.

Federation Council Addresses Parliaments of CSCE States

LD2406121694 Moscow *ITAR-TASS in English* 1148
GMT 24 Jun 94

[By *ITAR-TASS* parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow June 24 TASS—The Federation Council on Friday issued an address to the parliaments of the Conference on Security and Cooperation in Europe (CSCE) member-states in connection with the passage of a citizenship law by the Latvian Sejm.

The Sejm passed the law "in defiance of numerous protests by the international public and without reckoning with the recommendations of the CSCE, the Council of Europe, and a number of international experts", the address pointed out. Thereby, the Latvian authorities "ignored the universally recognised standards in the field of human rights," the Council stated.

The Russian parliamentarians, the address said, cannot remain indifferent to the position of the members of national minorities restricted in their right to receive Latvian citizenship. In this connection they believe that Latvia's further destiny, the ensurance of its genuine, not imaginary, national security and the possibility of the creation of a democratic law-governed state will in many respects depend on the world community's and, first of all, CSCE states' and parliaments' stand on the issue, the address pointed out.

The Federation Council called on them "to uphold the principles of humanism that are being asserted in Europe and to prevent Latvia from slipping down to an aggressive nationalism and the emergence of a seat of tension in the Baltic region".

Zhirinovskiy To Demand Kozyrev's Resignation

LD2306150494 Moscow *INTERFAX in English* 1256
GMT 23 Jun 94

[Text] The leader of Russia's Liberal Democratic Party Vladimir Zhirinovskiy intends to demand that the Foreign Minister Andrey Kozyrev resign for signing the Partnership for Peace accord. He said in an exclusive interview with *Interfax* on Thursday that "Kozyrev had no right to sign this program since the Duma spoke unequivocally against it."

Kozyrev signed the paper at NATO's Headquarters in Brussels, thereby making Russia a party to the NATO initiative.

Zhirinovskiy threatened to abrogate the treaty since it was not legally binding. The signature of one person "when parliament spoke against is meaningless", he maintained.

He also argued that "no state will take the document seriously since the legislature objects to it." Without agreement with it, any signing is absurd, Zhirinovskiy declared.

He also announced that the LDP [Liberal Democratic Party] faction has a nominee to the foreign minister's office.

NATO Commander Arrives for Talks with Grachev

LD2706082694 Moscow *INTERFAX in English* 0627
GMT 27 Jun 94

[Text] General George Joulwan, supreme commander-in-chief of NATO's forces in Europe, arrived in Moscow on a working visit.

Russian Defense Ministry officials told *Interfax* that he would meet Minister Pavel Grachev on June 28 before leaving Moscow on the same day.

U.S. Intelligence Said Unaffected by 'Wind of Change'

PM2406155194 Moscow *KRASNAYA ZVEZDA in Russian* 24 Jun 94 p 3

[Article by Manki Ponomarev: "United States Spares No Expense on Spying"]

[Text] Washington is spending the truly astronomical sum of \$28 billion in the current fiscal year on the needs of the intelligence agencies in spite of the fact that, as the Americans themselves testify, with the collapse of the Soviet Union "the majority of objectives and missions which the intelligence agencies had to perform during the Cold War have disappeared."

The so-called "intelligence community" of the United States is reminiscent of a gigantic octopus. It comprises agencies like the CIA with a budget of \$3 billion, the National Reconnaissance Office [natsionalnoye razvedyvatelnoye upravleniye] which is responsible for satellite intelligence and receives \$7 billion annually, the National Security Agency which gathers information by electronic means and spends \$4 billion, the Pentagon's Operational Agency for Tactical Intelligence [operatsionnoye upravleniye takticheskoy razvedki] with a budget of \$12 billion, and the Department of Defense Defense Intelligence Agency whose annual expenditure comes to \$600 million.

Today, even in Washington people are beginning to realize that such expenditure on spying activities cannot be justified. The U.S. National Security Council has set

about studying how best to define the intelligence community's role in the present circumstances. THE WASHINGTON POST wrote that the main purpose of their ongoing investigation is "first to identify the threats which the United States will encounter in the next 10-20 years, and second to determine the manpower and resources available to neutralize them."

The study of U.S. intelligence activities is still far from being completed. But it is already clear that the individual changes which have recently been implemented in the major U.S. intelligence agencies are cosmetic in nature and do not provide for fundamental change. Their previous structure remains unchanged, though the problems they solve and the volume of their work have changed significantly. Even certain former high-ranking CIA staffers now openly admit that it is essential to fundamentally reform the intelligence agencies and to limit their role.

Each state, of course, strives to possess the fullest possible information about what is happening in the world, what threats they might expect, and from where these threats might come. Such information is gathered in various ways, including intelligence sources. But it is one thing when some country comes up against major potential dangers, as was the case during the period of global confrontation along an East-West axis. It is a completely different matter when it is only a question of conflicts at a regional level, like, for example, those the United States has come up against in Somalia, Haiti, and Bosnia.

Thus, you get the impression that the wind of change blowing across the world has not affected the U.S. intelligence community. It continues to act in accordance with past standards. Naturally, the billions of dollars are not being spent on spying against the Cocos Islands or Transkei. But the question naturally arises: Against whom then?

U.S., Russian Marines Simulate 'Rescue Operation'

PM2406145594 Moscow KRSNAYA ZVEZDA in Russian 24 Jun 94 p 3

[Special correspondent Nikolay Litkovets report under the "Events and Commentary" column: "Sea and Land Exercise for Peaceful Purposes"]

[Text] Vladivostok—Your special correspondent has participated in an exercise aboard an American amphibious warfare ship.

The sides had agreed a year ago that such a Russian-American exercise would take place in two stages. The next meeting of sailors and assault forces of the Russian and U.S. Navies will take place in 1995 on American soil. But this year this most peaceful of military exercises ended on the Pacific Fleet marines' training ground. It began with an exchange of amphibious craft.

...On the morning of 20 June the amphibious transport dock Dubuque, stationed in the roads of Ussuri Gulf, disgorged several amphibious craft, which headed for a large Pacific Fleet amphibious warfare ship. While, from the shore, a column of 12 armored personnel carriers belonging to the Pacific Fleet Marines battled their way to the Dubuque against force three to four winds. Your correspondent also boarded the American ship from a light amphibious vehicle, so he understood full well the feelings experienced by the assault troops. But that was only the first part of what was essentially a rescue operation mounted by the Russians and Americans.

The next day two echelons of amphibious vehicles set out to cross the two kilometers to the shore of the Klerk peninsula. There, on the training ground, the aftermath of an earthquake had been simulated, with fires, real damage, and "casualties," who were played by a couple of dozen Russian sailors. Although they had set their subordinates a tough task, the leaders of the exercise, Rear Admiral Nikolay Kochergin, commander of a combined unit of Pacific Fleet marine landing forces, and Rear Admiral John Sigler, commander of the U.S. 7th Fleet amphibious forces, were forced to note their high level of naval combat proficiency and professional qualities. In the admirals' opinion, the exercise demonstrated that providing assistance in a disaster zone either on its maritime flanks or on islands was a task within the marine assault forces' ability.

Russia Steps Up Fight Against Drug Dealers

LD2506164294 Moscow ITAR-TASS in English 1545 GMT 25 Jun 94

[By Crime-Press correspondent Olga Semyonova]

[Text] Moscow June 25 TASS—"Russia's geopolitical position, the ineffective legislation and customs and border control contribute to the increase in drug trafficking and strengthening of ties with international drug business," Russian Interior Ministry top officials said on Saturday.

They stressed that in the Moscow, St. Petersburg, Kaliningrad, Omsk and other Russian regions the share of illegally imported drugs has exceeded 80 per cent lately. As a result of one of the operations last year law enforcement bodies seized 42,000 ampoules of the drug buprenorphin shipped to St. Petersburg from India.

Other drugs include pure heroin, Colombian cocaine and crack.

Russian law enforcement bodies have set up special units to fight illegal drug business. The Interior Ministry alone keeps over 3,000 specialists.

In 1993 law enforcement bodies handled 53,000 drug-related cases (16,000 in 1990), over 8,000 drug dealers

were exposed (threefold increase since 1992 and sevenfold since 1989). A total of 4,500 gangs involved in drug trafficking were arrested, over 40 tonnes of drugs confiscated.

Two new draft laws have been worked out—on fighting illegal drug trafficking and on control of drug trafficking. The government plans to allocate 18 billion roubles in 1994 to finance the implementation of the anti-drug programme.

On October 22, 1992 in Kiev 13 republics of the former Soviet Union signed an agreement on cooperation in fighting illegal drug trafficking. Since then Russia has signed similar agreements with 30 countries and maintains close contacts with Interpol and U.N. agencies.

Soskovets, Cuban Official Discuss Trade Partnership

LD2506012194 Moscow ITAR-TASS World Service in Russian 1444 GMT 24 Jun 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow, 24 Jun (TASS)— Cuba could become the strategic base launching Russian high technology onto Latin American markets. This was Deputy Prime Minister Oleg Soskovets's proposal to Cuban Deputy Prime Minister Lionel Soto [title as received], with whom he had a working meeting today.

Oleg Soskovets said Russia was interested in selling a large batch of military helicopters to Colombia to fight the drug mafia. In a deal like this Russia could offer Colombia very competitive conditions. As is known, Colombia today is facing a need for this type of aviation technology. Cuba for its part has very close links with Latin American countries and also knows the situation on the local market and could offer considerable support

to Russian firms trying to export their products to Latin America. Russians have so far had to try to operate on their own on the Latin American continent and often suffered losses as a result, Soskovets said.

The interstate company RosCuba, set up recently, is playing an important role in promoting cooperation between Cuba and Russia in bringing Russian goods and technology into Latin America, Oleg Soskovets and his colleague Lionel Soto believe.

Agreement To Prevent Double Taxation Signed With Slovakia

LD2406183194 Moscow INTERFAX in English 1612 GMT 24 Jun 94

[Text] On Friday in Moscow, an agreement to avoid dual taxation was signed at the end of a two-day sitting of the Intergovernmental Commission on Trade-Economic and Scientific-Technical Cooperation between Russia and Slovakia. In addition, as was announced in the press, the same day the parties plan to conclude an agreement which would resolve the problem of the debt of the former USSR to Slovakia.

According to the Chairman of the Slovak Commission Brigita Shmegnerova, deputy chair of the Slovak Government, the parties negotiated the issue on compensation of Slovakia's debt to the former USSR as the Russian Federation acts as its legal successor. The Slovak delegation proposed to settle this problem by increasing deliveries of Russian goods and granting rights to Slovak firms to use industrial capacities of the Russian enterprises in the frameworks of cooperation.

Vice Premier Yuriy Yarov, co-chairman of the commission who represents the Russian Federation, declared that the parties have reached an agreement to attract representatives of Russian regions to cooperate in the sphere of oil supplies from Russia to Slovakia.

Political Issues

Shumeyko on Extending Powers of President, Parliament

LD2406193194 Moscow INTERFAX in English 1811 GMT 24 Jun 94

[Text] No official statements proposing to extend the powers of the Federal Assembly and the president have as yet been received, Federation Council Speaker Vladimir Shumeyko told Interfax today.

Speaking of the negative reaction to the proposal to extend the powers of the president and deputies, Shumeyko said from what he had read in yesterday's newspapers it was clear that those who wanted no stability were making the sharpest statements and distorting the situation.

Shumeyko said his statement did not mention the president, while PRAVDA maintained that he had done all this for the president. He said he concluded from response of Sergey Baburin, Mikhail Gorbachev, SOVETSKAYA ROSSIYA and PRAVDA that he was not backed by those who did not want stability. He said this was proof that his statement had hit the mark.

Denies Remarks on Prolonging President's Powers

LD2406161394 Moscow ITAR-TASS in English 1546 GMT 24 Jun 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow June 24 TASS—"I have said nothing about prolongation of powers of the Russian president," Federation Council Speaker Vladimir Shumeyko told ITAR-TASS today, commenting on reaction to his pronouncement.

After looking through many newspapers, Shumeyko noted that "those who do not want political stability were extreme opponents of prolonged powers of deputies and misinterpreted everything".

Explains Proposal To Extend Term

LD2606194194

[Editorial Report] Moscow NTV in Russian at 1700 GMT on 26 June broadcasts the weekly "Itogi" program, which features a four-minute interview with Vladimir Shumeyko, chairman of the Russian Federation Council, in which he explains his recent proposals on prolonging the mandates of Federal Assembly deputies for two years.

First, Shumeyko states the main points of his proposal, stressing that President Yeltsin had nothing to do with that initiative: "Changing the existing laws and the corresponding articles of the Constitution immediately and turning the Federation Council into a more efficient

body will enable us, the current deputies, to deal with various issues on a deeper level. I will not conceal from you that it is necessary to introduce amendments into the Constitution, prolonging the mandates both for the State Duma and the Federation Council for at least two years. It has only just become possible for deputies to pass laws and tackle legislative issues, but instead they are being confronted with a completely different problem—a new election. In my opinion, a fresh election will upset Russia's balance to the utmost degree. I have not said a single word about the president in this connection."

Shumeyko then comments on the public reaction to this proposal: "I read the newspapers yesterday—the reaction is quite normal. Who then distorted my meaning most and who has been criticizing and accusing me of immorality? SOVETSKAYA ROSSIYA, PRAVDA, Baburin, and Gorbachev—there is life in the old dog yet! This means that I was right. These people do not want political accord, they do not want stable work to begin in Russia—that is all."

Shumeyko then explains the reasons behind his initiative: "At this stage, I can see no point in a change of power because Russia will never come back to the state it was in when it was part of the Soviet Union. This is impossible. Since we have achieved political accord, the entire society now has to think about the quickest way for our state to overcome this poverty and crisis."

He says that social problems mattered more to the Russians at this stage: "The politicians ought to feel that people are tired of these endless elections. They need anything but elections. They need a job, a salary, a normal life, and a developing state structure. They want the achievements of this state that have been recorded in its Constitution to exist in real terms. They want to be rid of crime and want courts to work normally, and many other things, but not elections."

Yeltsin Said Considering Referendum on Extending Term

MK2506112094 Moscow NEZAVISIMAYA GAZETA in Russian 25 Jun 94 p 1

[NG report under the "In Brief" rubric: "A Second Kite"]

[Text] A high-ranking representative of the Kremlin, expressing his personal point of view in an interview for INTERFAX, has not ruled out that the Russian president might call a national referendum on extending the head of state's powers for another term. Commenting—on condition of anonymity—on Federation Council Speaker Vladimir Shumeyko's initiative calling for extending the powers of the parliamentarians and the head of state, he noted that Boris Yeltsin "has every chance of winning the 1996 presidential elections and, to all appearances, will not agree to the State Duma's and the Federation Council's deciding on the question of his powers." At the same time, the INTERFAX interlocutor

conceded that Vladimir Shumeyko's proposals for extending the deputies' term of office for another two years "has logic and a profound sense," because this initiative would enable most parliamentarians who lack political experience to be "road-tested" and concentrate in the next few years on lawmaking activity. This has confirmed analysts' views that Mr. Shumeyko continues to act as a middleman at the request of top Kremlin officials from a party supporting President Yeltsin. By taking this step they have delivered a blow at their opponents who have been trying to win Yeltsin over, or, as a last-resort measure, to make sure that he is ousted in the next elections. According to reports from alternative sources, INTERFAX's interlocutor was a man with a beard.

Shakhray: 'Most People' Favor Prolonged Presidency

LD2506160194 Moscow INTERFAX in English 1444
GMT 25 Jun 94

[Text] Political equilibrium in the country is such that most people would favour prolonged presidential and parliamentary powers, Vice-Premier Shakhray, leading the Duma's PRES [Party of Russian Unity and Accord] faction, has declared in an exclusive interview with Interfax. In his opinion, such prolongation could be welcomed even by the opposition "since none of its leaders would stand a chance to win the 1996 presidential race."

Shakhray is convinced that such possible extension could be objected only by the ex vice-president Aleksandr Rutskoy and that part of the political opposition which is not represented in the Federal Assembly. He stressed that the key role in persuading the public to accept such possibility could be played by "regional political elite", which would support it, if the powers of all authorities, from top to bottom, were prolonged to contribute to stability.

He believes that the president would "keep a pause" on the matter longer than anyone else.

"In a transitional period, elections makes it possible to let the steam off a politically explosive boiler and thereby prevent what happened on October 3-4, 1993," Shakhray believes.

As a legal basis to make this idea work, Shakhray suggests that a law be passed to introduce amendments into the constitution for an interim period. However, he emphasized that its passage would require no less than two thirds of votes in the Duma and three fourths of votes in the Federation Council, and its ratification would need support from two thirds of the Federation members.

Voltskiy: Proposal To Extend Term 'Immoral'

LD2406151094 Moscow INTERFAX in English 1348
GMT 24 Jun 94

[Text] The Russian Businessmen Union's President Arkadiy Voltskiy has dismissed as immoral Federation Council Chairman Vladimir Shumeyko's recent proposal to prolong the mandates of the Federal Assembly's deputies.

"Each of the deputies went to elections, knowing that he would be elected for two years," Voltskiy declared at a news-conference in Moscow Friday, noting that the prolongation offer was "very mean towards the State Duma and Federation Council."

He also criticized the presidential anti-crime decree since it presupposes the right of arbitrary rule. However, he quoted a number of industrial managers as saying that most people are in favor of the decree.

"The best thing would be to erase from the decree the rubbish like the right to detain people for 30 days," Voltskiy said.

According to him, "it was in fact Russia rather than the USSR that collapsed" in 1991. "The rupture of economic ties was the chief reason for production decline," he remarked.

In his opinion, Russia and other former USSR republics should set up a really workable economic union, if they want to overcome the crisis as soon as possible. Otherwise, enterprises will have to establish direct ties, he said. The problem could also be resolved by forming transnational corporations across the former USSR.

Shakhray Views Anticrime Edict, Deputies' Mandate

LD2406183994 Moscow ITAR-TASS in English 1710
GMT 24 Jun 94

[By ITAR-TASS correspondent Vladimir Khodii]

[Text] Irkutsk June 24 TASS—"The presidential decree against gangsterism is the first step in extraordinary legislation against crime. Attitudes to the decree may differ but I think we are doomed to this," Russian Vice-Premier Sergey Shakhray told correspondents here today.

Shakhray has finished a trip to the extreme northern areas with a governmental delegation to analyze goods supplies and will attend a meeting of the council of the "Siberian Agreement" interregional association.

Efforts of all power branches should be pulled in measures against organized crime, stressed Shakhray. A corresponding draft law has been approved by the government and submitted to the State Duma.

Asked about his opinion of the proposal to prolong powers of deputies, the president and other power structures, Shakhrai said "I almost do not doubt that the deal of political elites—prolongation of the Civic Accord Treaty—will not result in any elections till the end 1998. This can be legalized only with a constitutional amendment or a constitutional law".

Speaking of goods delivery to the extreme northern areas, Shakhrai said extreme measures will have to be taken if the goods are not transported on rivers in July. This first of all goes for oil products, coal and foodstuffs. Otherwise, they will have to evacuate residents from the extreme zones.

Official Comments on Yeltsin Anticrime Decree

LD2706041994 Moscow ITAR-TASS in English 0409 GMT 27 Jun 94

[Text] Moscow June 27 TASS—President Boris Yeltsin's decree on combatting gangsterism in the country comes into effect today. The law enforcement agencies are ready to start intensive work in keeping with the decree, according to First Deputy Minister of Internal Affairs Mikhail Yegorov.

Yegorov said that violations of human rights can be avoided if the public is duly informed about any measures taken in line with the presidential decree. "Glasnost" (openness) is the main guarantor against any abuse of power by police, Yegorov stressed.

The signing of the president's decree was made necessary by experience, the deputy minister said. Organized criminal gangs are becoming increasing well-armed, ferocious and begin to dictate society their own terms with their gangland wars and explosions. Many hostages are being kept for ransom. Cases have been reported of close cooperation between Russian gangs with American *cosa nostra* and Sicilian mafia.

Prosecutor's Office Discusses Organized Crime

PM2706082994 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jun 94 First Edition p 2

[Report by Vladimir Klimov: "Working Together"]

[Text] Yesterday's enlarged sitting of the collegium of the Russian Federation General Prosecutor's Office involving prosecutors from the republics, krais, and oblasts, and military and transport prosecutors, was devoted to the theme of the fight against crime. State structure representatives, including Presidential Staff Chief S. Filatov, Federation Council Committee Chairman I. Kostoyev, and Human Rights Committee Chairman S. Kovalev, took part in the collegium's work.

The trend toward a rise in organized crime, which is destabilizing the atmosphere in society, was noted in the report by Acting General Prosecutor A. Ilyushenko, as well as in the speeches by regional prosecutors and those by the leaders of law enforcement organs.

Various appraisals of the president's edict were heard. Federal Counterintelligence Service Director S. Stepashin declared: "I am in favor of violating the rights of the individual if that person is a criminal." S. Kovalev categorically disagreed with this conclusion, placing the emphasis on the unswerving fulfillment of human rights and compliance with the spirit and letter of the Constitution.

Other speeches also noted the possible danger of "going too far" in terms of human rights compliance when fulfilling the president's edict.

The collegium called on prosecutors to consider the fight against crime and the coordination of the actions of the law enforcement bodies the most important area of their activity. It was proposed that constant surveillance over compliance with legislation be guaranteed when carrying out measures stipulated by the president and the parliament to protect the population from organized crime.

Stepashin Calls For Curbing Rights of Criminals

LD2506134494 Moscow ITAR-TASS in English 1256 GMT 25 Jun 94

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev June 25 TASS—"In keeping with the current legislation all investigative and operational activities will affect people's rights in one way or another. Without this it will be impossible to fight crime," Russian Counterintelligence Service Chief Sergey Stepashin said.

In an exclusive interview with ITAR-TASS on Saturday, Stepashin said that "any operational activities inevitably limit the rights of criminals. This is an axiom. In this connection I would like to say again that I am for violation of the 'right' of criminals to kill, rob, rape and encroach upon the rights of other people and their life. I am for such limitations, provided all procedural norms ensuring the calm life of the citizens of Russia are observed."

Zhirinovskiy Airs Views on Anticrime Measures

LD2406154894 Moscow ITAR-TASS in English 1511 GMT 24 Jun 94

[By ITAR-TASS correspondent Aleksandr Nechayev]

[Text] Moscow June 24 TASS—Liberal-Democratic Party leader Vladimir Zhirinovskiy believes that the police is so corrupted it is unable to carry out anti-crime measures. The police should be replaced with retired KGB officers, said Zhirinovskiy.

In his opinion, the federal counter-intelligence service is also unable to suppress crime since it "assists foreign secret services". The latter, in their turn, concentrated on the Russian Liberal-Democratic Party. Zhirinovskiy thinks that the border should be partially closed and citizens of former Soviet republics should be prohibited

to visit large Russian cities for six months in order to make anti-crime measures efficient.

"We demand to start anti-crime measures with cleansing of the Interior Ministry itself, removal of corrupted officials and their replacement with retired officers of the KGB, the armed forces and the Military Procurator's Office. If the high-ranking officials are not replaced, the presidential decree (against crime) will become an instrument against political opponents and not criminals," Zhirinovskiy told a news conference here today.

He also demanded to stop "predatory privatization", do not hold joint exercises with NATO, do not send Russian peace-makers outside the Russian Federation and raise the minimum salary to 50,000 rubles per month.

Provisions of Anticrime Edict Assessed

PM2706082194 Moscow ROSSIYSKAYA GAZETA in Russian 24 Jun 94 First Edition p 2

[Article by Candidate of Juridical Sciences Vladimir Osin, Associate of the Russian Federation Interior Ministry All-Union Scientific Research Institute, under the "Edict Adopted. What Next?" rubric: "Emergency Measures Against Bandits"]

[Text] The Russian Federation president's edict "On Urgent Measures To Protect the Population Against Banditry and Other Manifestations of Organized Crime" has produced conflicting assessments among both scientists and practical workers of the law enforcement agencies. It is perceived by some as a long-awaited measure which will immediately help to combat various criminal groups, whereas in others it inspires a fear of arbitrary rule by the authorities. To arrive at a correct verdict on the extraordinary measures planned by the president for combatting manifestations of organized crime it is necessary to look at the possible consequences, both positive and negative, of their implementation.

The crime situation in Russia has begun to deteriorate sharply in recent months. Showdowns among criminals in the big cities are increasingly resembling military operations.

Meanwhile, the prevailing law enforcement practice and the conflicting nature of the norms of the existing criminal and criminal-procedural legislation are not always conducive to exposing criminal organizations. The many months of work by operational subunits often end in the conviction only of those who actually commit a specific offense. The article in our Criminal Code envisaging liability for banditry (Article 77 of the Russian Federation Criminal Code) never really did work, and it is still being applied only in very rare instances.

Furthermore, the Russian Federation Supreme Court's rulings on the application of this article have simply made it harder to qualify bandit attacks. That is why the

courts are continuing to qualify an act committed by a gang as an act of theft, robbery, extortion, or murder by a group.

Nor does the draft law "On the Struggle Against Organized Crime," which is being prepared by a State Duma committee, inspire hope. This draft law does not take into account the existing legal system in Russia or the principles and provisions characteristic of a rule of law state.

Is this not reason enough to understand the urgent need for the adoption of emergency legal measures by the Russian president?

Everyone who speaks out against the edict should note that it does not replace the existing legislation but merely gives the operational services greater scope for gathering information not about individual crimes but primarily about criminal groups.

The only deviation from the rules laid down by procedural law is in regard to those crimes typically committed by gangs or other forms of organized criminal group suspected of committing serious crimes.

Prior to the edict the existing law not only did not oblige but did not even encourage the law enforcement agencies to try to expose a criminal organization. The edict, however, directs the operational services precisely toward exposing criminal organizations. For that purpose alone is it permissible, prior to the institution of criminal proceedings, to carry out expert appraisals and hold preliminary investigations into the financial and economic activity and the property and financial status not only of suspected persons but also of those close to them.

Such harsh deviations from citizens' democratic rights and freedoms enshrined in the Russian Federation Constitution are dictated by the need to protect Russia's citizens from the orgy of crime. Such actions, incidentally, are characteristic of any democratic state which is compelled to fight organized crime.

The edict stipulates the use of the emergency measures powers only when there is sufficient evidence of an individual's involvement in a gang or other organized criminal group which is justifiably suspected of having committed serious crimes and not just any crime. The use of the emergency measures on other grounds must be viewed as an abuse of power or an offense against justice.

Mistakes are possible, of course, as is the deliberate abuse of the norms of the edict in a number of cases. But the institution of prosecutor's oversight exists for that purpose. The edict clearly prescribes that all emergency measures must be coordinated with the Prosecutor's Office.

Each instance of an operational investigation into an individual's involvement in a gang or other organized criminal group must be recorded and the results of the corresponding work must be entered in the files of the

operational investigation in question. The materials contained in such files make it possible to answer the question of whether the implementation of the emergency measures is legal and necessary.

Every one whose guilt is not proven in the manner prescribed by law is entitled to receive on demand a report on the nature of the information pertaining to him. It is possible to appeal to the court against a refusal to provide such information. Thus the existing legislation and, in particular, the Law "On Operational Investigation Activity" provides a guarantee against excessive use of power by an "overzealous official."

There have been many criticisms of the detention of suspects and accused persons for a period of up to 30 days. For some reason, however, people disregard the fact that someone accused of a serious crime may already be detained in custody for over a year solely on the grounds of the gravity of the offense (Article 96 of the Russian Federation Criminal Code). Under the edict only a suspect's involvement in a gang or other group suspected of committing a serious offense allows that person to be kept in custody for up to 30 days.

There is the danger, of course, that these emergency measures—when applied by nonprofessionals, bogus individuals, or people who like to kick up a fuss about "high-profile cases"—are a dangerous weapon which could lead to violence on the part of certain law enforcement agencies, which will undermine still further the Russian population's faith in them. Thus it would be advisable to grant such powers only to subunits of the Federal Counterintelligence Service and the Russian Federation MVD [Ministry of Internal Affairs] Main Directorate for Combatting Organized Crime as the agencies best prepared to track down and wipe out criminal organizations.

Public opinion would possibly be reassured by being kept informed about the practical implementation of this edict.

There is one more point which merits the public's attention. Having been given further scope for combatting manifestations of organized crime, staffers of the law enforcement agencies must understand that citizens' patience has already been exhausted. If those who have been given the task of combatting criminal organizations cannot make proper use of the emergency powers granted them by the edict it would be better for them to stand down. I believe that we will find people who are equal to this task. So let us assess this work according to its actual results and not according to some mythical dangers.

Zhirinovskiy Predicts Presidential Rule

LD2606153794 Moscow ITAR-TASS World Service in Russian 1516 GMT 26 Jun 94

[By ITAR-TASS correspondent Evald Kessariyskiy]

[Text] Nizhniy Novgorod, 26 Jun—Analyzing the political situation in the country, Vladimir Zhirinovskiy, leader of the LDPR (Liberal Democratic Party of Russia), has not ruled out the possibility of dissolution of the State Duma and introduction of direct presidential rule in the next few months. He arrived in Nizhniy Novgorod today together with members of the LDPR group of deputies in the State Duma.

The city's residents showed particular interest in a rally held in its main square. At the rally, the party leader reiterated that "there has been no real change in the lives of the people of Russia following the elections." This is why, Vladimir Zhirinovskiy explained, "we are in opposition, and if we do not succeed in replacing this government, we do not rule out the possibility that we ourselves would cancel the Treaty on Social Accord we signed earlier."

'Union' Urges Deputies Fight To Restore USSR

LD2506212394 Moscow ITAR-TASS World Service in Russian 1334 GMT 25 Jun 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow, 25 Jun—"To unite the forces of people's deputies of all levels, from the union level to rayon soviets, including deputies of the present elected authorities, in the fight for the restoration of a single union state, the Soviet Union." This task was set at the third congress of the "Union" popular movement [narodnoye dvizheniye "Soyuz"], held today at the Russian Federation parliamentary center.

The movement was set up in December 1990 on the basis of the "Union" group of deputies, which advocated the preservation of a centralized unitarian state and "emergency measures to steer the country out of crisis." Its second congress was held in April 1991, so the present forum was the first since the breakup of the USSR. The congress organizers claim they managed to gather 330 deputies of various levels, including 33 former people's deputies of the USSR, 20 former people's deputies of the Russian Federation, and four State Duma deputies. Apart from them, the congress was attended by representatives from parties and public movements, mainly of the communist and nationalist-patriotic orientation.

The delegates approved a resolution that proclaims the intention to submit to the parliaments of former republics of the USSR a proposal to denounce the Belovezhskaya Pushcha agreements, and also to urge all public movements in the independent states [of the CIS] "to start work on expanding interrepublican ties and forming on the basis of these ties a broad movement for the restoration of a single state." The movement expressed its intention to take an active part in preparing the second "Congress of Peoples of the USSR," which is scheduled for October-November 1994. The congress approved "theses of a blueprint for the restoration of a union state," proposed by the previous congress.

Former USSR People's Deputy Sazhi Umalatova said in an interview with the ITAR-TASS correspondent she was confident that "all the republic without exceptions, including the Baltic ones," would return to the revived union. However, Viktor Alksnis, a leader of the "Union" group of deputies, told the ITAR-TASS correspondent that he cherished no particular illusions about the movement's prospects. Much will depend on whether there are funds, he noted.

Constitutional Court Faces Further Onslaughts

PM2706084794 Moscow NOVAYA
YEZHEDNEVNAYA GAZETA in Russian
24 Jun 94 p 1

["Own information" report under the "Intrigue" rubric: "Shumeyko's Department Has Decided To Make the Constitutional Court Really Insignificant. A New Approach to the Constitution Has Begun"]

[Text] There is no disputing the fact that the new Russian Constitution, adopted 12 December last year, is far from perfect. But, while the Fundamental Law has been in force, so many attempts—either malicious or out of ignorance—have already been made on it that there is nothing left for us but to put our trust in its defense by the Constitutional Court, which has virtually been inoperative in Russia for more than six months now.

If you recall, the Constitutional Court's activity was suspended by the president's celebrated Edict No. 1400, and its activity was frozen, while the Constitutional Court itself was mentioned only occasionally in connection either with a hunger strike by one of the judges, or with a fire in its building's turret, or with the possible departure of Valeriy Zorkin in order to enter politics.

Nevertheless, during this time work was already under way on a new law on the Constitutional Court. The draft law was sent to the State Duma, and a conciliation commission was set up together with the committee under the leadership of V. Isakov. After several amendments were made, the draft law was adopted on its first reading, after which it was sent back for additional work. Amendments from the Federation Council were expected before 15 June.

The next reading of the law was scheduled for today, and the draft law was duplicated. Suddenly a 15-page package of amendments—52 in all—arrived 22 June from the Committee for Legislation and Judicial and Legal Reform. Some of them are of a purely formal nature, and some are simply unexpected, such as, for example, the exclusion of constitutional control from the Constitutional Court's functions.

Until recently the Constitutional Court comprised 13 judges. According to the new draft law, it remained to choose six more (10 candidacies were submitted to the president over a month ago, but Yeltsin has not yet made

a decision in this regard). But the amendments submitted by the Federation Council provide for the reelection of all the Constitutional Court judges (elected for life!)—which will still further delay both the adoption of the law on the Constitutional Court and the start of its work. The amendments submitted by the Federation Council include proposals for the court chairman to be appointed by the Federation Council itself, not by the already elected composition.

There are grounds for fearing that there will very soon arise a further serious cause for discussion by the Constitutional Court. Which does not exist in Russia.

Lysenko To Head Republican Party of Russia

LD2606162294 Moscow Mayak Radio Network in
Russian 1530 GMT 26 Jun 94

[Text] The congress of the Republican Party of Russia today elected 38-year old Vladimir Lysenko its chairman. He was a cochairman of the party jointly with Vyacheslav Shostakovskiy. Yesterday, the congress introduced changes to the rules, introducing the posts of chairman and deputy chairman instead of the institution of cochairmen. Both Lysenko and Shostakovskiy are State Duma deputies. They are members of the Yabloko faction. Grigoriy Yavlinskiy, leader of the faction, reported several days ago that within the next few days the faction would discuss the question of expelling Lysenko from the faction, because his actions run counter to the stand of the majority.

At the congress yesterday, Lysenko spoke out against the party going into opposition on a course pursued by the president and the government. Shostakovskiy favored a democratic alternative to this course.

FSK, Security Service Merger Report 'Hoax'

LD2406150894 Moscow INTERFAX in English 1348
GMT 24 Jun 94

[Text] Colonel Sergey Vasilyev, representative of the press section of the Federal Counterintelligence Service (FSK), refuted media information on possible combining of the FSK with the presidential Main Guarding Department and Security Service into a new special service.

"There will be no reorganization, it's nothing more than another hoax," he said in his conversation with our Interfax correspondent.

Zyuganov Speaks at Opposition Press Seminar

MK2506115094 Moscow PRAVDA in Russian 25 Jun
94 p 1

[Unattributed report: "Seminar of Left-Wing Press"]

[Text] A seminar of opposition publications chief editors took place in the PRAVDA office. Those represented were NASH VYBOR of Bashkiria [Bashkortostan],

VOLGOGRADSKAYA TRIBUNA, CHEBOKSARSKIYE NOVOSTI, TULA TRUDOVAYA, among others from Ulyanovsk, Pskov, Novgorod, Kaluga, Penza, as well as SOVETSKAYA ROSSIYA and a number of other Moscow newspapers—more than 50 all told.

Gennadiy Zyuganov, chairman of the Communist Party of Russia Central Executive Committee, who was present at the seminar, told the gathering about the political situation in the country and the tasks before the Communist Party of Russia in the immediate period. In conclusion he answered some questions. In particular, answering a question on the role of trade unions, he remarked there is yet no sign of active protection for the working people on their part.

Valentin Chikin, SOVETSKAYA ROSSIYA chief editor, suggested that an opposition press bureau be set up for greater cooperation and consolidation. He also proposed the creation of a professional association of journalists of opposition newspapers which could uphold their interests before the state.

Economic Issues

Chernomyrdin Explains Foreign Investment Policy

LD2706133394 Moscow *ITAR-TASS World Service in Russian* 1016 GMT 27 Jun 94

[By ITAR-TASS correspondents Oleg Velichko and Gennadiy Yezhov]

[Text] Moscow, 27 Jun—We are wholly in favor of channelling most of the finance Russia receives from abroad directly into the investment sphere, Viktor Chernomyrdin told today's session of the Consultative Council on Foreign Investment in the office of the Russian Government.

The head of the cabinet expressed confidence that there already exists the necessary prerequisites for shifting the emphasis of Western financial support for reform in Russia. Traditional loans whose repayment is directly guaranteed by the Russian Government should be abandoned in favor of targeted financing for specific projects, based on collateral and other ways of ensuring that loans are repaid, he remarked.

Chernomyrdin singled out five main areas on which the Russian Government will focus as it implements policy on attracting large-scale foreign investment.

First, it will strive to ensure that legislation regulating the activities of foreign investors is as complete and settled as it should be.

Second, it will seek changes to the tax system designed to stimulate production and investment.

Third, it will pursue a vigorous investment policy, in the context of which it intends to allocate most centralized

financial resources on a competitive basis, promote mixed (state and private sector) funding, provide government guarantees for investment and improve the system of insurance for capital investment.

Fourth, competition in industry and, especially, banking should be given the utmost encouragement.

Fifth, foreign investors will be given the legal information they need.

The prime minister referred to legal enactments regulating enterprises with foreign investment that are in the pipeline. He said that draft laws envisaged a number of major changes to the tax position of foreign investors. Enterprises with foreign investment are expected to be exempted from profits tax for five years after registration. Restrictions on operations connected with the movement of capital are likely to be lifted and foreign investors (i.e. enterprises with 100 percent foreign capital) will be granted the right to own land on which they build new enterprises, installations, or production facilities.

Furthermore, enterprises with foreign investment will be allowed to keep all the hard currency earnings from exports of their own goods. Machinery, technological equipment, spare parts, raw and other materials, components, and semi-finished goods that enterprises import for their own production needs will be exempted from tax levies and customs duty.

Measures Drafted To Lower Risks for Foreign Investors

LD2706121394 Moscow *INTERFAX in English* 1036 GMT 27 Jun 94

[Text] The Russian government has drafted a number of measures to lower foreign investors' risks in Russia, Prime Minister Viktor Chernomyrdin announced on Monday.

He told the constituent conference of the Council for Foreign Investment that the Cabinet had developed legal norms providing for major changes in the taxing regime for foreign investors. For instance, enterprises with joint Russian-foreign capital will be freed from taxes for five years following registration; limitations on the movement of capital will be lifted, while enterprises founded entirely with foreign capital will be given the right to own the land on which they are located.

Chernomyrdin said that changes in the domestic scene allowed President Yeltsin to use his enormous reform potential much more efficiently. As an example he referred to the packages of economic decrees, aimed at accelerating reform and putting industrial production on a new footing.

Chernomyrdin also said that the Russian economy was fully working on the basic laws of the market economy and that its response to market fluctuations had become

more predictable. He said that the external situation was favorable for overcoming the crisis and for stable economic development.

He spoke about the progress made during the talks with the London and Paris clubs on the restructuring of Russia's foreign debt inherited from the Soviet Union, and about the conclusion of the agreement on partnership and cooperation with the European Union. He announced that during his recent visit to the U.S. the first step was made towards granting Russia most-favored-nation status.

The conference is attended by the leaders of major world companies, including BASF (Germany), Coca Cola, Ernst & Young, Procter & Gamble (the U.S.), representatives of Japanese, French and British firms, and Russian business people.

Official Predicts Billions in Foreign Investment

LD2706102394 Moscow *ITAR-TASS in English* 1003
GMT 27 Jun 94

[By *ITAR-TASS* correspondents Oleg Velichko and Genadiy Yezhov]

[Text] Moscow June 27 TASS—The inflow of foreign investments in the Russian economy will reach 10-15 billion American dollars per annum by the year 2000, according to First Deputy Economics Minister of Russia Yakov Urinson. He spoke at a meeting of the Consultative Council on Foreign Investments under the Russian Government which opened in Moscow's President Hotel today.

The meeting is being attended by the leaders of 14 major transnational corporations of the world.

"So far the annual growth rate of foreign investments has been recorded at a low level, Yakov Urinson said. This year, for example, the total amount of investments reached a mere one billion dollars, less than in Estonia. Russia is behind such countries as Poland, Hungary and some others as regards foreign investments. As of June 1, 1994, only 14,000 enterprises with foreign capital has have been recorded on the Russian state register.

Nonetheless, its attempts to lure cautious Western investors Russia scored tangible results in stabilising its economic conditions, Urinson said. Economic restructuring is being carried out along with demilitarising the Russian economy—over the past two years and a half the military order was cut by 70 per cent, inflation does not exceed 10 per cent a month over the past five months. More than 40 per cent of the Russian labour force are employed in private enterprises, and the rouble's buying capacity against the dollar has increased by 12 per cent over the past five months of this year.

Enterprises with foreign capital have created approximately 300,000 new jobs, productivity has increased by

1.5 to two times on average as compared to similar domestic enterprises, Urinson said.

Council Charts Strategy To Attract Foreign Capital

LD2706085994 Moscow *ITAR-TASS in English* 0811
GMT 27 Jun 94

[By *ITAR-TASS* correspondent Oleg Velichko]

[Text] Moscow June 27 TASS—The consultative Foreign Investment Council attached to the Russian Government is entrusted with working out the strategy for investing foreign capital to Russia, Prime Minister Viktor Chernomyrdin said in a conversation with Western businessmen who have arrived in Moscow to participate in the council meeting which opens today.

Judging by all appearances, the consultative council will mark another phase in rapprochement between the Russian and world economies hot on the heels of the Russian president's recent successful trip to Corfu and of the prime minister's visit to the United States.

The council meeting today is to be addressed by Prime Minister Chernomyrdin, First Vice-Premier Oleg Soskovets, Central Bank Governor Viktor Gershchenko and Acting Finance Minister Sergey Dubinin. The leaders of Russian key ministries and the departments are taking part in the council meeting.

Representatives of transnational corporations of North America, Europe and Asia are taking part in the meeting. Western businessmen said in the conversation with the Russian prime minister that they would like to see a better organisation of the consultative council's work. They called for setting up panels and deciding on the specific directions of work.

Zaveryukha Says Country May Do Without Grain Imports

MK2506114094 Moscow *SEGODNYA in Russian*
25 Jun 94 p 2

[Report by Gleb Cherkasov under the "Hard Work at Harvest Time" rubric: "Zaveryukha Is Against Grain Imports. He Needs Money To Provide Country With Grain"]

[Text] Russian Vice Premier Aleksandr Zaveryukha, speaking in a press conference yesterday, voiced the hope this year's grain production will be 90 or 95 million tonnes. While this year's production is less than last year's (99 million tonnes), the vice premier is convinced that Russia may virtually do without grain imports. Everyone, however, will have to work hard to achieve this goal—those who gather in the harvest, and those who support the process financially and technically.

The government will supposedly earmark 5.2 trillion rubles in centralized credits and 4.6 trillion rubles in a budget loan to get ready for and to gather in the harvest.

In the vice premier's words, 90 percent of the money will be going out to the regions with the aim of forming regional grain funds. Besides, the grain growers will be provided with an opportunity to lease the necessary equipment or buy it on an installment plan. Mr. Zaveryukha stressed: The money should be made available in the shortest possible time, otherwise a successful grain harvest may be disrupted. At any rate, the vice premier was not prepared to give approximate prices of the grain to be gathered in, remarking only that prices should include all labor, material, and technical inputs.

Touching on the food production situation on the whole, Aleksandr Zaveryukha sadly noted that the situation remains difficult and that production is declining. He pointed out, however, that production in the private sector grew somewhat. Minutes later, however, Mr. Zaveryukha stated that most of the agricultural producers are joint-stock companies, that is to say, private enterprises. This makes people wonder as to where production is declining.

Income Tax Proposed To Fund War on Crime

*MK2506110094 Moscow SEGODNYA in Russian
25 Jun 94 p 1*

[POSTFACTUM report: "Russian Federation Finance Ministry Proposes Special Tax To Combat Crime"]

[Text] The Russian Federation Finance Ministry has forwarded to the government and the Security Council a proposal to introduce a special personal income tax to finance the federal crime fighting program. The proposed maximum rate of the tax is 3 percent. It has been suggested not to tax citizens' monthly incomes below 70,000 rubles.

Nuclear & Military Issues

Yeltsin Urges Full Safety at Nuclear Plants

*LD2706085194 Moscow ITAR-TASS in English 0821
GMT 27 Jun 94*

[By unidentified ITAR-TASS correspondent]

[Text] Moscow June 27 TASS—Russian President Boris Yeltsin urged to ensure full safety at nuclear power plants and develop ecologically pure reactors and technologies, while the Russian patriarch added that nuclear research does not contradict the will of God.

"Further development of atomic power-engineering is possible only under condition of full nuclear and radioactive safety, as well as reliable guarantees of ecologically-pure reactors," Yeltsin said on Monday in his message to the workers of the industry in connection with the 40th anniversary of the first Soviet nuclear power plant in Obninsk.

Congratulating the workers on the occasion Yeltsin said that atomic power engineering has achieved "impressing

successes" over the years. "However, mankind has more than once seen how dear is the price of mistakes in the complicated industry, what tragic consequences can they pose for millions of people," Yeltsin said. He added that top-level skills of responsibility of the personnel of the plants is a major safety condition.

The worst nuclear disaster occurred in 1986 in Chernobyl in Ukraine when the fourth reactor of the plant there exploded causing powerful contamination of considerable territories in Ukraine, Byelorussia [Belarus] and Russia.

Prime Minister Viktor Chernomyrdin also congratulated atomic energy workers saying "it is necessary to assess the role of the atomic power-engineering in the Russian development as a stable source of energy."

Patriarch of Moscow and all Russia Aleksiy the Second stressed in his congratulatory message that "comprehending great possibilities which the nature possesses and which can serve for the benefit of man corresponds to the will of God."

Scientists Work To Improve Nuclear Safety

*LD2706091494 Moscow ITAR-TASS in English 0834
GMT 27 Jun 94*

[By ITAR-TASS correspondent Veronika Romanenkova]

[Text] Moscow June 27 TASS—Judging by the intensity with which specialists of the Russian research centre Kurchatovskiy Institute, and their colleagues from the United States, Germany, France and Japan are working on a new project, all nuclear power plants will be disaster proof in a few years. Vice-President of the Kurchatovskiy Institute Ponomarev-Stepnoy told ITAR-TASS the theoretical part of the project is nearing completion and the first experiments will be carried out using simulators in a year or two.

The project aims to develop a multi-tier system of nuclear plant protection with the help of which all radioactive emissions will be "trapped".

Even if the worst happens and the reactor active zone melts as it did in Chernobyl, specialists are sure that the heightened radioactivity will never leave the boundaries of the reactor proper.

The problem of safety in nuclear-power engineering is one of the most acute now when Russia is marking the fortieth anniversary of its first nuclear power station. In the first six months of this year, sixteen incidents were reported at nine Russian nuclear power stations (down from nineteen in the same period last year). If the world average emergency protection incidents are to be viewed as a unit, Russia's index equals 0.79. And although most of such incidents entails no irradiation or pollution of the environment, and the number of incidents is

decreasing from year to year, researchers and engineers are far from resting on their laurels.

Disruptions are unavoidable in principle in the operation of nuclear power stations, as in any technical system. This is why the main task is to minimise their effects. It is simply impossible to give up nuclear power engineering. The 29 nuclear power units in Russia provide approximately 13 per cent of all the electric energy consumed in the country, its share being 25 per cent in central Russia, more than forty per cent in north-western Russia and up to 70 per cent in the Kola Peninsula.

Russia is now carrying out a set of measures to ensure greater safety of its nuclear power plants. Many of them are being modernised, new equipment is being installed, including simulators to upgrade the skills of the operators.

At the beginning of the twenty-first century many units which will have exhausted their resource by then will have to be shut down and dismantled. This refers first of all to the Leningrad and Kursk power stations, where the Chernobyl-type reactors are being used, and the Novovoronezh and Kola nuclear power stations, which use the water-water reactors.

Vice-President of the Rosenergoatom concern Yevgeniy Ignatenko said in an interview with ITAR-TASS that a new generation reactors will replace the old ones, including on fast neutrons. A special decision will have to be made every time, proceeding from the price of the reactor and its effectiveness.

Over 270 AES Emergencies Recorded in 2-Year Period

LD2606164494 Moscow Radio Rossii Network in Russian 1600 GMT 26 Jun 94

[Excerpt] Over the past two years, over 270 emergencies have been recorded at Russian nuclear power stations, including five involving leakages of radioactive substances into the outside world. These sad figures were cited by Vladimir Kuznetsov, a former employee of the State Committee for the Supervision of Nuclear and Radiation Safety, at the presentation of his book entitled: State Radiation [Gosudarstvennaya Radiatsiya]. [passage omitted]

Nuclear Weapon Builders Appeal for Yeltsin's Help

PM2406154794 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 24 Jun 94 p 2

[Open appeal by labor collective of Russian Federal Nuclear Center—All-Russia Scientific Research Institute of Technical Physics to Russian President B.N. Yeltsin under the "Nuclear Center Warns..." rubric:

"Creators of Nuclear Weapons Have Passed to NOVAYA YEZHEDNEVNAYA GAZETA a Letter for the Russian President")]

[Text] Esteemed Boris Nikolayevich!

We employees of the Russian Federal Nuclear Center—All-Russia Scientific Research Institute of Technical Physics [RFNC-ARSRITP] are deeply concerned at the situation which has taken shape in the nuclear weapons complex. While conscious of the whole complexity of the economic situation in Russia, we are nevertheless forced to draw your attention to the inadmissibility of the current process of virtual destruction of such a unique project as our enterprise.

The RFNC-ARSRITP, one of two Russian federal nuclear centers, was formed in the city of Chelyabinsk-70 (now a closed administrative-territorial formation, Snezhinsk city, Chelyabinsk Oblast) in 1955. The past decades of peace and creative building in the life of our state have shown that active pursuit of nuclear weapons projects, including the years of work on creating appropriate nuclear weapon systems, is the most effective means of deterring any aggression. More than 50 percent of the nuclear weapon systems now in our arsenal include nuclear charges developed at the RFNC-ARSRITP.

In recent years there has been a substantial change in the state authorities' attitude to the military-industrial complex as a whole, including the two federal nuclear centers. The RFNC-ARSRITP is currently being funded at such a low level that there is a real threat that work on the state defense order will cease, not to mention the development of conversion areas. At the same time three similar centers in the United States are continuing to function at the former level—they are recognized as the country's national asset.

Constantly inadequate and late funding has brought the RFNC-ARSRITP to crisis point. The enterprise's debts run into tens of billions of rubles and are increasing, owing inter alia to enforced expenditure on paying fines and credits.

The equipment is aging physically, and there is a catastrophic shortage of materials, tools, and special clothing; energy suppliers have repeatedly warned that they will cease supplying gas and electricity. As a consequence, there is a growing risk that emergency situations will arise, even involving technologically dangerous production sections.

Systematic delays over paying wages to employees over the past two and a half years are creating a very complex, physically and morally difficult social situation in the labor collective. People simply do not have the wherewithal to live or to feed their children. In such a psychological state they have to work under particularly harmful and dangerous conditions—which can have grave consequences.

An extremely complex situation is also occurring in the social sphere. Medicine ekes out a pitiful existence, the birth rate has fallen, and the level of sickness and mortality has increased. There are no funds to improve the health of working people and their children. Housing construction has virtually stopped, the number of needy people is growing, and there are families with three children living in a hostel. The subsidiary agricultural enterprise has been forced to reduce the numbers of livestock and poultry, cannot supply the working people with food, and is essentially falling apart.

Concerned at the current processes and at the threatened loss of the technical and scientific potential which had been attained and which it will be impossible to restore, the leadership and the trade union committee of the RFNC-ARSRITP have repeatedly asked various state organs to examine questions of the enterprise's financial and economic position. There is a draft government decree on funding the federal nuclear centers which has been discussed repeatedly in the Ministry of Finance, the Ministry of the Economy, and the Ministry of Labor. But the majority of the labor collective's appeals have gone unanswered, and the draft decree remains just a draft.

We once again ask all state management bodies and you personally, Boris Nikolayevich, to consider our problems and to adopt corresponding decisions without delay, primarily on these questions:

approval of the Russian Federation Government decree on funding the federal nuclear centers;

repayment of debts and payment of delayed wages;

allocation of the necessary funds for housing construction, medicine, and other areas of the social sphere.

We are sure that Russia needs our labor, and we are ready to give our knowledge, strength, and experience in the name of our motherland's independence and might. We hope for wisdom and farsightedness from the president, the government, and Russia's other administrative bodies.

The appeal is signed by 7,369 employees of the RFNC-ARSRITP.

Armed Forces To Be Reduced to 1.5 Million Men

LD2506163194 Moscow Radio Moscow World Service in English 1500 GMT 25 Jun 94

[Text] Russian Defense Minister Pavel Grachev has said that his country's military doctrine is directed at no country. However, the country has its own national interest and an efficient army must defend them, General Grachev said.

He was speaking at Tula, a city southward of Moscow. Addressing cadets of the Military Artillery School, General Grachev said that Russia's Armed Forces would be reduced from 3 million to 1.5 million men, but the forces would be more mobile and strong.

Grachev on Defense Ministry Support for Arms Industry

LD2506115294 Moscow ITAR-TASS in English 1106 GMT 25 Jun 94

[By ITAR-TASS correspondent Valeriy Rudenko]

[Text] Tula June 25 TASS—The Russian Defence Ministry is doing all it can for keeping alive unique arms-manufacturing enterprises and to ensure their development in the future, Russian Defence Minister Pavel Grachev said today at a graduation ceremony, held at the Tula Higher Artillery School, named after the Tula proletariat.

He stressed he wanted the Russian Armed Forces to be powerful and mobile, fitted with modern weapon systems and capable of ensuring Russia's security. According to Grachev, Russia's military doctrine does not regard any country as an enemy, but Russia has its own vital interests, which a strong and highly efficient army should protect.

Grachev praised the performance of the artillery school in training skilled military personnel. Today graduation diplomas were given to another 300 young lieutenants, who will put into effect the army reform.

The Russian defence minister had a meeting today with senior officials of Tula and the Tula region, as well as representatives of the regional union of industrialists and entrepreneurs, of which directors of arms-manufacturing enterprises make the backbone. He visited as well the arms museum and attended a ceremony of opening the day of the city.

Chubays Argues Military Expenditure 'Excessive'

LD2606173894 Moscow Mayak Radio Network in Russian 1343 GMT 26 Jun 94

[Report by Vladimir Savchenko]

[Excerpts] Anatoliy Borisovich, professor Belkin has recently published interesting figures. He says more or less the following. Privatization and combating inflation are all in vain. Nothing will come out of it. Why? Because we have excessive military expenditure. Because in the economic respect we are in a state of war. A country can afford such an amount on military expenditure only when it is in a state of war. Indeed, more than 40 trillion rubles. [passage omitted] The question arises: what does the government think?

[Chubays] Let us look at the factual side of what you have just said. Indeed, the share of the military expenditure in the budget which has been approved is very high. The figure you have just mentioned is correct—more than 40 trillion rubles. With the budget's revenue of 120 trillion rubles, this is indeed a huge portion. Nevertheless, one should understand where it comes from. Where does our present army and our gigantic expenditure on it come from? In fact, we have inherited

almost all of the former Soviet army of the Soviet Union that, as one knows, was in confrontation with nearly the whole world.

[Correspondent] It seems we have inherited the Brezhnev stagnation.

[Chubays] Exactly. It is the case when we have to finance the army we had in the past although today we simply do not need such a big army either from the political, economic, or financial viewpoint. But can one resolve this problem just like that, in one go? Can one half the expenditure on the army as soon as from tomorrow? What is the army? The army consists of human beings, soldiers and officers who are returning from Germany and the Baltic's. They are returning to Russia where they do not have either accommodation or work, or real income, or savings they can live on.

[Correspondent] But under the present state of the economy, I mean the present military expenditure, they will never have highly-paid jobs or accommodation?

[Chubays] Are you suggesting that we should tell them to leave the army, that we should say goodbye to them for the time being while we are improving the economy. Perhaps in two or three years we would succeed and then they could have a good life. No, this is not the way. Here, indeed, I agree with Belkin that the situation must be radically changed. It's the simple truth. But one cannot change the situation simply by reducing the expenditure, that's the point. The situation could be changed through a very profound reform in the army. We should reform the mechanism itself. Yegor Gaydar said very well at the recent congress of Russia's Choice that one cannot bring down the number of soldiers to the number of generals. The number of generals should be brought in accordance with the number of soldiers. This means that a profound army reform is needed which would essentially mean a reduction in the numerical strength and an improvement in the financing of those who are in the army.

[Savchenko] But that is as far as the army is concerned. After all, our legendary military spending is the legacy, among other things, of our famous military industry, which in peace time was 70 percent of our whole industry. Now it constitutes perhaps 60 or 65 percent?

[Chubays] You are wrong. It comprise just about 15 percent of all industry. Here are some concrete figures for you. In the first six months of 1994 spending on the purchase of military hardware for our military and industrial complex has been cut by 60 percent. Incidentally, we say today that 1994 is marked by decline. I can assure you that nearly 50 percent of this decline can be accounted for directly by the cuts in government spending on the purchase of equipment and military hardware. That is the most that one could have done in that respect. That this process cannot be continued on the same scale is another matter because a living enterprise, millions of people working there, and a whole range of social problems are at stake. This aspect of the problem can be resolved not just through paying less but

through profound reform of the actual economic mechanism. Then a tank factory will not have to close down but will be able to change over to the production of things which people need.

[Savchenko] Incidentally, has privatization helped this process?

[Chubays] Undoubtedly. Here is a living example. Take for instance my native St. Petersburg and its LOMO enterprise, the Leningrad Lenin optico-mechanical association. This is a very famous company. Its output used to be solely military. It is now in a most difficult situation because of spending cuts in the military industry. Fourteen thousand people used to work there. Now just 11,000 are employed there. No doubt there will be further cuts. This very plant, having carried out privatization—not without its own battles incidentally—certain structures put up very tough resistance. Nevertheless, it was privatized with our support, and it became a joint stock company. It has begun the process we have just been talking about. It was not just a matter of becoming a joint stock company. The organization had to elaborate an in-depth plan for the restructuring of all production relations. It had to provide for a change in the nature of the output, and carry out a study of the existing market, a transition to the production of a new type of output, a restructuring of the internal production structure, a change in the structure of the administration of the enterprise, and finally staff cuts.

So, what is now happening at the LOMO. Two figures can characterize it: the LOMO share price—that is the price written on the share certificate—is 500 rubles, yet the market price of the LOMO shares is now 75,000 rubles. Among the LOMO's share holders are the world's major companies with names known worldwide, such as Credit Suisse [word indistinct] Boston and others which can see that following the restructuring, the LOMO has an enormous potential in the next tens and even hundreds of years. That is thanks only to the fact that a little while back, the LOMO opted for privatization which opened up all these opportunities.

[Savchenko] Anatoliy Borisovich, will we be able to hope that next year military spending will be reduced.

[Chubays] I think that the volume of military spending will be cut next year, but the beginning of a real army reform—it cannot be postponed for years any longer—is a prerequisite for this. The reform must be started this year so that we could make our army cuts next year.

New Military Journals To Start Publication 1 Jul
PM2706092994 Moscow KRASNAYA ZVEZDA in
Russian 24 Jun 94 p 1

[Report by Russian Federation Defense Ministry Information and Press Directorate under the "KRASNAYA ZVEZDA and News Agency Correspondents Report" rubric: "New Armed Forces Journals"]

[Text] Moscow—The new military journals ARMEY-SKIY SBORNIK [Army Collection] and ORIYENTIR [Reference Point] will start publication on 1 July. Scientific, military-technical, and practical methodology problems will be covered by ARMEYSKIY SBORNIK. The theoretical and scientific and practical journal ORIYENTIR will cover the problems of education work in the Armed Forces.

Colonel Valeriy Vinnik has been appointed ARMEY-SKIY SBORNIK's chief editor (before that he was chief editor of the journal VOYENNY VESTNIK). Colonel Nikolay Yefimov has been appointed ORIYENTIR's chief editor (previously he headed the weekly SYN OTECHSTVA).

Federal Assembly

Federation Council Discussion of Crime Edict Reported

LD2406133094 Moscow INTERFAX in English 1215 GMT 24 Jun 94

[Text] Friday morning the Federation Council of the Russian parliament failed to accept in principle a draft resolution on President Yeltsin's decree "On Emergency Moves to Protect the Population Against Banditry and Organized Crime as a Whole".

The committee on constitutional law-making and courtroom and legal issues won the heaviest support in a straw vote on four alternative drafts. When, however, it was put to roll-call vote, the committee's draft garnered less than one half of the overall ballot.

The returns highlighted the differences voiced in the discussion of the anti-crime decree. Yuri Chernichenko, who represents Moscow in the Federation Council, said the underworld used the national constitution as an umbrella and called on the fellow-legislators to defend the man-in-the-street who lived in constant fear for his life and property by supporting the anti-crime decree.

In the meantime, fellow-legislator Valeriy Rastorguyev of Tver felt the decree deprived the citizens of their constitutional rights and its enforcement translated into the introduction of a state of emergency. He called for the creation of expert emergency commissions instead of instructions which "empowered every other law and order officer to fight crime".

The Federation Council may be expected to resume discussion of the anti-crime legislation, if it has time for it, on Friday.

Council Seeks Review of Crime Edict

LD2406192894 Moscow INTERFAX in English 1843 GMT 24 Jun 94

[Text] Members of the Russian Federation Council decided to appeal to the Constitutional Court with a request to examine the anti-crime decree issued by President Boris Yeltsin.

A total of 64 deputies (36 percent of the total number) voted for this decision. In accordance with provision 125 of the Constitution, at least one fifth of the Federation Council deputies must back an appeal to the Constitutional Court.

The appeal was initiated by deputies Aleksandr Belyayev, Yuriy Boldyrev and Aleksey Manannikov.

Belyayev said in an interview with INTERFAX that the Constitutional Court could consider the appeal this autumn after the State Duma adopted the law on Constitutional Court at second reading.

Federation Council Amends Criminal Code

LD2406195094 Moscow INTERFAX in English 1612 GMT 24 Jun 94

[Text] The Federation Council approved Friday changes and amendments of the Russian Criminal and Criminal Proceedings Codes.

Nearly 40 articles of the former and nine of the latter were amended. At the same time 19 Criminal Code articles were annulled and 15 new ones included.

The Council's Constitutional Legislation and Legality Committee issued a statement saying that among important new articles were 17 on crimes committed by a conspiring group of people or by an organized group and 213 (3) on terrorism that were aimed at combatting organized crime. Article 13 on necessary defense was revised. The notions of socialist and personal properties were removed.

The committee said that some changes and amendments of the Criminal Code were fundamental in that they had a bearing on the main institutions of criminal law and would enhance the suppression of crime.

Also Friday the Federation Council passed without debate a bill adopted by the State Duma on foreign borrowings and credits granted by the Russian Federations.

Shumeyko Supports Amended Draft Budget

LD2406194694 Moscow INTERFAX in English 1707 GMT 24 Jun 94

[Text] Speaker of the Federation Council Vladimir Shumeyko says he voted in favor of the government-proposed budget for 1994. Speaking in Moscow, he said his decision came after the Council had pushed through new articles to the budget relating to government spending on the armed forces.

Article 32 now provides for an extra budgetary fund of support to the army to be raised as part of government revenues from privatization. The resources are to be channelled to provide social security nets to the servicemen including housing construction and conversion of defense-related industries.

One other article binds the government to bring down the cost of this year's defense spending by offering contracts to men and non-commissioned officers and hiring officers in reserve, reducing the number of military schools and disbanding understaffed contingents.

The budget now provides for 40.6 trillion rubles of defense spending in 1994.

However, the Council did not adopt any resolution on Shumeyko's report about FC's role and place in overcoming critical trends in the country. The question will be discussed as the Council meets again next month.

Gaydar Explains Russia's Choice Support for Budget

LD2406132494 Moscow INTERFAX in English 1214 GMT 24 Jun 94

[Text] Members of the leading Russia's Choice (RC) parliamentary faction have thrown weight behind the government-proposed budget after rejecting it in the three previous rounds of voting. RC leader Yegor Gaydar said his faction was led by two main reasons in reversing its decision. On the one hand, any attempt to try to improve the budget by the present parliament would be hopeless. On the other, the RC did not want any political gambling by the Liberal Democrats over the budget.

Gaydar described the proposed budget as totally unrealistic with its revenue and expenditure parts being far too high. In his view, the paper reflects the existing balance of forces in the State Duma following last December's election and a strong pressure by sectorial lobby groups in parliament.

The RC leader said both administration and government representatives had appealed to his faction during a break in vote-taking and the RC "accepted their considerations, particularly those relating to LDP demands in exchange for their support". Gaydar denied having engaged in any horse trading on the issue.

Rybkin on Extending President, Parliament Powers

LD2406193394 Moscow INTERFAX in English 1811 GMT 24 Jun 94

[Text] Russian State Duma Speaker Ivan Rybkin said today it was premature to discuss the possibility early elections. Commenting on the proposal to extend the powers of the parliament and the president for a second term Rybkin said that first people should feel the economy is being stabilized and life improved as a result of actions taken by the Federal Assembly (parliament - IF) and the government. The proposal to extend the president's and parliament's powers was put forward by Federation Council Chairman Vladimir Shumeyko.

Before leaving for Siberia and the Far East Rybkin answered questions during a press conference by phone organized by the Russian State Duma's press service and Interfax.

Rybkin said that the legislative process must be seen to be working.

He said if the work was properly carried out and the legislative bodies of at least two thirds of the federation's constituent members spoke for this, the chamber could discuss the postponement of elections. However, he added that it was unreasonable to speak on the postponement of elections in advance.

Rybkin stressed that during his trips across Russian regions voters kept saying they were tired of elections.

Commenting on the recommendation of the State Duma to suspend the president's anti-crime decree, Rybkin said the president had been asked not to enact the decree until a resolution on its implementation is adopted. Rybkin stressed that the decree was not simple and that its basic idea—the fight against crime—could not be rejected.

Rybkin said he was sure that the decree would soon become law. He repeated that the State Duma had decided to set up a working group in order to draft the appropriate law with the participation of representatives of the president, the government, the Interior Ministry and the prosecutor's office.

When asked his opinion on proposals to declare direct presidential rule in the country, Rybkin said he doubted that Boris Yeltsin would introduce it and that the whole concept was inadmissible in a country trying to establish the rule of law.

Russia's Choice Opposes Extending Assembly Term

LD2406195294 Moscow INTERFAX in English 1811 GMT 24 Jun 94

[Text] The State Duma group of Yegor Gaydar's Russia's Choice rejected proposals that the term of the Federal Assembly be extended. It insisted on holding parliamentary and presidential elections as specified by the constitution.

In its statement made public in the Duma Friday the group said that its members could not agree with the proposal made by Federation Council Chairman Vladimir Shumeyko.

The statement said that Russia's Choice was giving priority to legality and morality over political expediency. It cast doubt on the desirability of what Shumeyko had proposed. The Russia's Choice group considers that instead of consolidating political stability it would destroy the weak saplings of civic accord, trust between political groupings and respect for the law that had emerged in Russian society recently.

The group is not convinced by Shumeyko's argument that the extension of the terms would save much funds. It states that society had paid dearly for every short cut of democratic procedures. What is more, it would be members of parliament who would make a decision on extending their own terms, which would place them in a delicate moral position.

Duma Adopts Decree on Constitutional Court

LD2406132694 Moscow INTERFAX in English 1053 GMT 24 Jun 94

[Text] On Friday Russia's State Duma adopted a decree "On the Constitutional Court." As many as 331 deputies voted for this decree, five—against, and 27 abstained from voting (as it is known, the RF Constitutional Court and members of the State Duma Committee on Legislation and Legal Reform submitted this bill for consideration). The procedure of filling Constitutional Court (CC) vacancies remains unchanged—a CC judge is appointed by the Federation Council following the president's nomination.

Given its authorities the CC hears trials on correspondence with federal laws, normative acts of the Russian president and of both chambers of the Federal Assembly, of Russian government, Constitutions of the republics, charters and laws of the RF constituent members to the RF Constitution. The court can also determine the congruence with the Constitution and treaties made between state bodies of power of the Russian Federation and state bodies of power of the RF constituent members, and agreements between state bodies of the RF constituent members.

It is within the Court's competence to determine the congruence with the Constitution of the international agreements of the Russian Federation which are not in force yet, to interpret the RF Constitution, to make conclusions about the observance of the procedure of accusations against the Russian president of high treason or of committing any serious crime. The CC has the right to initiate legislative actions on issue which are in its competence.

Any citizens of the Russian Federation who is over 40, has an excellent reputation and higher juridical education and experience of juridical work of no less than 15 years can be appointed to the post of a judge on the CC.

The decree stipulates that powers of a CC judge can be suspended if the CC agrees to arrest him or to bring charges against him or if he is unable to fulfill his duties due to the state of his health.

The mandate of a judge in the CC can be taken away if the rules on his appointment were violated.

The same measure is taken if a judge loses citizenship of the Russian Federation or if he is sentenced or if the

judge continues to behave incompatible with his post despite warnings on the part of the RF Constitutional Court.

The decree foresees that the chairman of the CC is elected at its plenary sitting by a secret voting by the majority of judges. Chairman of the Court, his deputy, and judge-secretary are elected for three years.

Duma Threatens To Suspend Privatization Law

MK2506121094 Moscow KOMMERSANT-DAILY in Russian 25 Jun 94 p 2

[Boris Boyko report: "LDPR Tries To Straighten Things Out With the Privatizers"]

[Text] After adopting the budget, the State Duma at its session yesterday undertook an energetic, although abortive, attempt to suspend post-voucher privatization. A response from the government—a final approval of a corresponding program—is to come today.

It seems that when he first addressed the State Duma, Vladimir Zhirinovskiy, in response to appeals by Anatoliy Chubays to observe the time limit, let drop the phrase: "Mr. Chubays, you will be watching the clock in Lefortovo! [prison]" Yesterday's session confirmed the seriousness of the LDPR [Liberal Democratic Party of Russia] leader's intentions.

The LDPR faction submitted to the Duma a bill with a "telltale" name: "On Suspending the Process of Privatization in Russia as of 1 July 1994 Pending Examination of the Results of Voucher Privatization and Approval by the Russian Federation Federal Assembly of a Concept and a State Program for Post-Voucher Privatization." The Duma Council at its session did not approve this move. The Council decided to find a compromise and confine itself to an appeal to the president and the prime minister. The draft appeal, submitted by Privatization Committee Chairman Sergey Burkov, is effectively a warning. It says that owing to lack of guarantees of ownership rights for owners of former state property, the Duma will be forced to suspend the law On Privatization of State and Municipal Enterprises. Responsibility for this lies "with those state officials who have failed to create a legal foundation for this process." The appeal was not supported by the deputies.

Then Zhirinovskiy, stating that "behind each instance of privatization there is a crime," demanded that the bill drafted by his faction be passed immediately. It was supported by 194 deputies (226 votes were needed to pass it). As a result, "the matter will be finalized" in the privatization and economic policy committees.

It's now the government's turn. Signs are that the post-voucher privatization program will be considered today. It remains unclear, however, whether this program will be presented to the Federal Assembly. On the one hand, until now Anatoliy Chubays has insisted that the post-voucher program be enacted by a presidential edict. His

position is understandable: First, there is little time, to put it mildly, for normal consideration in parliament, and second, the Duma's intentions to punish embezzlers and corrupt officials speak for themselves. On the other hand, the State Duma's warning is serious enough. Moreover, there is nothing to prevent the LDPR from regularly moving its bill, which will hang like a sword of Damocles over the government. In these conditions the likelihood of the post-voucher privatization program's being presented to the Federal Assembly increases. If this happens, Chubays will apparently have nothing left to do but follow the fate of the voucher and resign. While he found it possible to avoid this move when the president ordered him to leave Moscow privatization to Luzhkov, discussion in the Duma will have more far-reaching consequences.

Federation Council Approves Minimum Wage Increase

LD2406134594 Moscow Radio Rossii Network in Russian 1300 GMT 24 Jun 94

[Text] The Federation Council today approved the federal law raising minimum wages by 40 percent. The law has already been adopted by the State Duma. ITAR-TASS says minimum wages will be 20,500 rubles from 1 July. The deputies gave the committee on social policy two weeks to consult the regions on sources of finance for the pay raise.

Duma To Hold Three Plenary Sessions Per Week

LD2406132794 Moscow ITAR-TASS World Service in Russian 0736 GMT 24 Jun 94

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow, 24 Jun—The State Duma has decided to meet in plenary session three times a week during the time remaining to the parliamentary recess. Until now it has been holding two plenary sessions a week—on Wednesdays and Fridays.

Communist Deputy Igor Bratishchev, who put forward the proposal for an additional sitting, noted the Duma had a lot of work to complete before deputies went off on their holidays. He observed that many deputies were neglecting their duties by not attending the Duma regularly. As an example, he cited his political opponents in the Russia's Choice group. He claimed that "30 percent of Yegor Gaydar's supporters do not turn up for plenary sessions."

Regional Issues

Ingushetia Works Out Plan To Repatriate Refugees

LD2506162494 Moscow INTERFAX in English 1446 GMT 25 Jun 94

[Text] Ingushetia has worked out a real plan to bring the refugees back home in line with President Yeltsin's

decree concerning four communities in North Ossetia's Prigorodny region. As Interfax correspondents report, the plan was announced by Ingushetia's President Ruslan Aushev at a meeting in the administrative center of Nazran Friday [24 June] night.

He revealed that the first to return to the Dachnoye, Dongaron, Kurat, and Chermen communities at the initial stage 1-5 July would be the families whose homes are safe. Expected back within five days from July 5 to 10 will be the refugees living in temporary dwellings. After that, the rest will return.

Aushev also reported that subsequently more villages would be set aside on agreement with the Ossetian authorities for those Ingush families that had resided there before the conflict. According to the federal migration service, there are 49,000 Ingush refugees from North Ossetia on the territory of Ingushetia now.

However, Aushev stressed that the plan could be translated into action only if the Ossetian side signed a protocol to this effect.

North Ossetia's President Akhsarbeck Galazov and his Ingushetia counterpart Aushev are scheduled to meet on Saturday with Dagestan officials and the interim governor Vladimir Lozovoy to act as mediators. Representing the Federation Council will be Ramazan Abdulatipov, its vice-chairman.

Galazov, Aushev Ready To Sign Accord

LD2606122594 Moscow ITAR-TASS in English 1154 GMT 26 Jun 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz June 26 TASS—A meeting between North Ossetian and Ingush Presidents Akhsarbek Galazov and Ruslan Aushev, respectively, is taking place at the Vladikavkaz airport on Sunday with mediation from head of the temporary administration Vladimir Lozovoy.

The meeting is also attended by members of the two cabinets and legislators of the two republics which are members of the Russian Federation.

ITAR-TASS learnt from sources close to the North Ossetian president that the sides are discussing a procedure for returning and settling refugees and displaced persons at places where they predominantly lived in the villages of Chermen, Dongaron, Dachnoye and Kurtat in the Prigorodnyy district, North Ossetia. The sides are to sign a document called upon to settle the problem.

The document says that, in compliance with the decrees of the president of the Russian Federation and the Kislovodsk agreement, the North Ossetian Government and the Ingush Government will create, with direct participation of the temporary administration, conditions for a comprehensive solution of the problem of

refugees and displaced persons, in line with the principles of mutual respect, racial peace and accord, territorial integrity of the republics and observance of law.

The leaderships of the North Ossetian Republic and of the Ingush Republic as well as the temporary administration proceed from the premise that both residents in the four villages and returning residents will take obligations to abide by the laws of the Russian Federation and the North Ossetian Republic, to refrain from kindling ethnic strife, to recognise the territorial integrity of the North Ossetian republic in the existing administrative territorial borders and to fulfill decisions of legal bodies of power and administration.

The meeting is also attended by Ramazan Abdulatipov, deputy speaker of the Russian Parliament upper chamber, and members of the legislators' group of the upper chamber.

N. Ossetian Official Opposes Accord

LD2506161794 Moscow INTERFAX in English 1305 GMT 25 Jun 94

[Text] There is every indication that a protocol on refugees return to North Ossetia's Prigorodniy region will not be signed on Saturday, the Federation Council's Vice Chairman Ramazan Abdulatipov, who is currently in the zone of conflict, has said in an interview with Interfax.

"We should not rush with signing this document since we need a coordinated protocol that would be implemented in full," he stressed.

It is for precisely for this reason, he stressed, that a meeting between him and North Ossetian leaders would be expedient.

"Only after all points of the protocol were agreed, a meeting between the presidents of North Ossetia and Ingushetia would make sense. We do not need one more unfeasible document," he remarked.

"It will take decades to stabilize the situation after that horrible tragedy, and Ingushetia's president has chosen a correct course toward bringing the refugees back stage by stage," Abdulatipov said.

Dudayev Attacks Interior Ministry for 'Paralysis'

LD2606074494 Moscow NTV in Russian 1500 GMT 25 Jun 94

[Text] The administration of the Chechen president [Dzhokhar Dudayev] is now sorting out the security services.

[Ramzan Khadzhiev] The forces of law and order in the Chechen republic are not having the best of times. After another presidential purge, many heads of the power structures have lost their jobs, including the procurator general, the heads of certain power departments and heads of militia area divisions. Dudayev is not attacking

the Internal Affairs Ministry and procuracy so much for the assassination attempt on him, as for the paralysis in the power forces when faced with criminal groups.

[Begin Dudayev recording] The heads of all power forces are to carry out a thorough investigation into officials in the bodies of law and order and security who are directly responsible for ensuring the safety of top officials, law and order, and observance of legislative discipline. The toughest measures are to be taken against them, up to and including instigating criminal charges. [end recording]

[Khadzhiev] The decree has been published, and the passions around it have still not died down. Those fired are looking for high-ranking intermediaries in order to return to their comfortable offices. Criminal elements are on their guard and biding their time.

Dudayev Fails To 'Destroy' Armed Opposition Group

LD2506090494 Moscow Radio Rossii Network in Russian 0700 GMT 25 Jun 94

[Text] Armed formations backing Dzhokhar Dudayev have made an attempt to destroy a political and military opposition group led by Beslan Gantemirov [former mayor of Grozny]. This action has failed, says ANI, quoting the press center of Chechnya's interim council.

Gantemirov's detachments are in possession of armor as well as firearms. They are stationed in the Urus-Martanovskiy rayon, adjacent to Grozny.

State Duma Delegation Tours Russian Far East

LD2606082594 Moscow ITAR-TASS in English 0802 GMT 26 Jun 94

[By ITAR-TASS correspondents Sergey Borovkov, Pavel Kuznetsov]

[Text] Petropavlovsk-Kamchatsky, June 26 (TASS)—A State Duma delegation, led by its speaker Ivan Rybkin, which is continuing its working trip to Siberia and the Far East, arrived in Petropavlovsk-Kamchatsky late on Saturday.

In Kamchatka the legislators will meet representatives of the local government bodies, naval officers and sailors, fishermen and workers of fish-processing enterprises. Rybkin will visit the famous Geyser valley and Paramushir, one of the Kurile islands.

Previously the delegation visited Irkutsk, where they took part in the work of the Siberian agreement council. It includes 19 republics, autonomous and national districts, territories and regions of Siberia. During the work of the Siberian agreement council Rybkin and heads of the main State Duma committees told in detail representatives of the executive and legislative authorities of Siberian regions about the law-making work of the lower chamber of the federal assembly and its prospects.

Rybkin told journalists at the airport that the legislators "wished to see for themselves the life in those cities, which are so far away but are still our, Russian cities, to talk with people, to hear the opinion of heads of local administrations. We want advice on the best way to divide the pie which is called the budget."

Delegation Meets Pacific Fleet Command

LD2606122094 Moscow *ITAR-TASS in English* 1153
GMT 26 Jun 94

[By *ITAR-TASS* correspondents Sergey Borovkov, Pavel Kuznetsov]

[Text] Petropavlovsk-Kamchatskiy June 26 TASS—Head of the State Duma Ivan Rybkin, who is leading a delegation of the lower chamber of the Federal Assembly now touring Siberia and the Far East, had a meeting here today with representatives of the command of the Russian Pacific Fleet.

They discussed at the meeting problems of financing and supply of the fleet, Aleksandr Piskunov, deputy chairman of the State Duma committee on defence, told *ITAR-TASS*. The conversation also touched upon the problem of the utilisation of the used nuclear fuel from reactors of nuclear-powered submarines and ammunition.

Rybkin told naval officers about the efforts taken by the State Duma for finding additional sources of financing for the Armed Forces. They discussed tasks facing the Russian Navy in connection with the bringing of the strength of the Armed Forces in conformity with the mobilising and financial resources of the country.

Shumeyko Urges State Protectionism Policy for Siberia

LD2506154394 Moscow *INTERFAX in English* 1305
GMT 25 Jun 94

[Text] The Federation Council's Chairman Vladimir Shumeyko called for carrying out a policy of state protectionism toward Siberia. With this aim in view, he initiated a bill on top priority measures to develop Siberia.

Speaking at the session of the Interregional Siberia Agreement Association at Irkutsk Saturday, Shumeyko explained that for a period of one year Siberia should be guaranteed against a number of the newly legislated economic measures. For this reason, he spoke in favour of changing transport and electricity tariffs.

In his opinion, such a bill should be passed by the assembly houses before they get down to examining the draft of a federal budget for 1995, which the cabinet has been instructed to submit by September 15.

The Duma Speaker Ivan Rybkin, also attending the session, backed up Shumeyko's proposal. In an interview with journalists, he called for reasonable protectionism

toward producers and for giving regions more powers in drafting taxation policy. He stressed that local authorities should display more lawmaking initiative in federal parliament.

Deputy Premier Sergey Shakhray has also necessitated a temporary law on commodities shipment to Arctic regions to stay in effect in 1994-1995. He underlined that in the federal budget, endorsed by the parliament's houses on Friday, the delivery of goods to Arctic areas is estimated at 5.5 trillion rubles.

Amur Organizations Protest Anticrime Edict

LD2506090994 Moscow *ITAR-TASS in English* 0720
GMT 25 Jun 94

[By *ITAR-TASS* correspondent]

[Text] Khabarovsk June 25 TASS—A number of socio-political movements in Amur area, in a message to the president, the Federal Assembly and Government of the Russian Federation, have expressed strong disagreement with the methods suggested by President Boris Yeltsin to combat crime.

They pointed out that the recently signed presidential decree runs counter not only to the norms of criminal procedure legislation but also to major provisions of Russia's Constitution.

The message is signed by representatives of the Khabarovsk regional branch of the Economic Freedom Party, the territorial organisation of the Peasant Party, and the "Land and People" social foundation.

The signatories believe that the presidential decree will not protect the population against organised crime but would bring society back to the times of universal angst, people's suspiciousness with regard to one another, and would lead to violations of human rights and unfounded repressions.

One Killed in Attack on Kaliningrad Regiment

LD2706080094 Moscow *ITAR-TASS in English* 0722
GMT 27 Jun 94

[By *ITAR-TASS* correspondent Anatoliy Yurkin]

[Text] Moscow June 27 TASS—An officer was killed and two soldiers wounded in an overnight attack on the guarding unit of a tank regiment deployed in the Russian Baltic enclave of Kaliningrad.

TASS learned from the press service of the Russian Ground forces on Monday that the officer was in command of the guards and that the two soldiers were only slightly wounded. However, yet another guard disappeared from his post.

Investigation is underway and representatives of the main headquarters of the ground forces have left for the regiment.

Operation To Combat Crime Launched in South

LD2706082194 Moscow ITAR-TASS in English 0724 GMT 27 Jun 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow June 27 TASS—The poach-control operation "Putina-94" inflicted a blow on criminal gangs in Russia's south, militia Colonel Aleksandr Skurtul, deputy chief of the poach-control operation headquarters, said in an interview with ITAR-TASS on Monday.

Militia officers seized 149 firearms (including submachine-guns) from law-breakers, several thousand rounds of ammunition, 45 explosives and considerable quantities of grenades.

Militia officers exposed over 20 previously committed crimes and detained 248 criminals who were on the wanted list. In Skurtula's opinion, criminal families in the Caspian region now make attempts to restore their operations after suffering considerable damage (authorities instituted 305 criminal cases). For instance, a carrier of caviar was recently detained on the Astrakhan-St. Petersburg train with 487 cans of caviar.

According to Skurtula, the poach-control operation is expanding. Interior Ministry forces are now joining fight to preserve national wealth in the Far Eastern region. Experience gained in the Caspian region will help to carry out successfully operational measures.

"The underworld quickly responds to our actions. Therefore, the struggle will be difficult and long," Skurtul said in conclusion.

Maritime Territory Economy Hit by Miners' Strike

LD2706044594 Moscow ITAR-TASS World Service in Russian 0248 GMT 27 Jun 94

[By ITAR-TASS correspondent Yuriy Grachev]

[Text] Luchegorsk (Maritime Territory), 27 Jun—The northern regions of the Maritime Territory have turned out to be on the verge of economic catastrophe. A strike by transport workers of the Luchegorsk opencast coal mine, which is the main supplier of fuel for the Primorskaya state regional electric power station, the giant of far eastern power engineering, has been going on for ten days now. The shortfall in deliveries of coal over the ten days exceeds 500,000 tonnes.

The main reason for the protest action was that the transport workers' wages are regularly overdue and they have not been paid since April. Besides this, the strikers are demanding the abolition of tariff cuts, as well as the resignation of the director of the main enterprise of "Primorskugol".

In their turn, the administration of the transport directorate, believing the action to be illegal, have instituted court proceedings against the strikers. In response, according to a report from Mikhail Byankin, chairman of the strike committee, their families will picket the court sitting.

Pechora Coal Industry Enterprises To Be Restructured

LD2506110694 Moscow ITAR-TASS in English 0919 GMT 25 Jun 1994

[By ITAR-TASS correspondent]

[Text] Moscow June 25 TASS—The Russian Government has instructed the Ministry of Fuel and Power, together with the government of the Republic of Komi, to work out by the beginning of 1995 a comprehensive programme to restructure coal-industry enterprises in the Pechora coal fields, according to a government resolution made available to ITAR-TASS on Saturday.

The programme is expected to suggest solutions to such matters as reconstruction, a rise in the efficiency of promising coal mines, the construction of new ones, the employment of mineworkers thus released, a gradual relocation of the disabled residents of Vorkuta and Inta to other regions of Russia, etc.

At the same time the ministry is to substantiate the expediency of the continued operation of four coal mines—Yun-Yaga, Promyshlennaya, Yur-Shor, and Yuzhnaya by October this year.

The government resolution provides for a number of other measures as well.

Remote Bases' Winter Supply Problems Resolved

PM2706085394 Moscow KRASNAYA ZVEZDA in Russian 24 Jun 94 p 1

[Report by Aleksandr Veklich and Vasilii Fatigarov under "KRASNAYA ZVEZDA and News Agency Correspondents Report" rubric: "Garrisons Looking Ahead to Winter"]

[Text] Novosibirsk—A group of Russian Federation Defense Ministry generals and officers headed by Deputy Defense Minister Colonel General Vladimir Toporov has completed a working visit here. Problems of preparing the garrisons located in the Far North, Siberia, and Far East areas for winter were considered during the visit.

"Despite the complexity of the situation it can now be said that the freight deliveries necessary to maintain the vital activity of troops in remote garrisons are unlikely to be disrupted," Toporov stated.

International Affairs

Black Sea Fleet: Moscow, Kiev Do Not Support Joint Command

LD2406181094 Moscow Radiostantsiya Ekho Moskvyy in Russian 1500 GMT 24 Jun 94

[Text] The proposal by Aleksandr Moroz, the chairman of the Ukrainian Supreme Council, that the Black Sea Fleet should have a joint command has won no support either in Kiev or in Moscow, Ukrainian President Leonid Kravchuk said today. According to him, if the combined fleet continues to exist, peace will never be achieved.

Acting Commander Views Fleet, Crimea Disputes

AU2406133494 Hamburg DIE WOCHE in German 23 Jun 94 p 18

[Interview with Alexey Ryshenko, acting commander of the Ukrainian fleet, by an unidentified correspondent; place and date not given: "We Will Torpedo Them"]

[Text] [DIE WOCHE] Have you already considered the withdrawal of Ukrainian warships from the Crimea?

[Ryshenko] That would suit the Russians very well. The Crimea belongs to Ukraine. Our countrymen live there. We will defend them with weapons, if necessary.

[DIE WOCHE] Ukrainian and Russian warships are berthed in the same harbor at Sevastopol. Is a conflict not inevitable there?

[Ryshenko] The Russians want to force us out of Sevastopol. We are prepared for any provocation, for they know that as long as our fleet and soldiers are stationed in the Crimea, we will not permit an annexation to Russia.

[DIE WOCHE] The division of the Black Sea Fleet has been a subject of negotiations for two years. Does this fleet still have any strategic significance?

[Ryshenko] The fleet is outdated, its fighting power exists only on paper.

[DIE WOCHE] Then why does Ukraine not want to give up its share of the fleet?

[Ryshenko] Ukraine would do so immediately provided that the Black Sea Fleet left the Crimea. But the Russians will not hear of it.

[DIE WOCHE] Will the Fleet support the Crimean separatists in an emergency?

[Ryshenko] The commanders are doing what they want. They do not even obey Moscow. But I hope things will not get that far. And even if they do, we have enough strength in the Crimea to control any such mutiny.

[DIE WOCHE] The Russian commanders are warning against provocation. A clinic is supposed to have been stormed by Ukrainian special units.

[Ryshenko] Those are all lies. Why should we do anything like that? Everything in the Crimea belongs to Ukraine. It is the Black Sea Fleet that is stealing Ukrainian property.

[DIE WOCHE] What do you mean?

[Ryshenko] Many officers are engaged in business deals. Lubricants, spare parts, and maritime electronic equipment are being stolen from the bases. Vessels of the Black Sea Fleet are just like freighters that are transporting goods. They ignore Ukrainian customs and tax laws.

[DIE WOCHE] Is there any proof of that?

[Ryshenko] In April, the ship Tshelekyen left Odessa harbor without permission. It had smuggled goods on board. Should anyone ever try that again, we will torpedo the ship.

[DIE WOCHE] Is Kiev not heating up the situation in the Crimea unnecessarily?

[Ryshenko] There is no Republic of Crimea. The Crimea is a part of Ukraine. It was a great mistake to give the Crimea special status in 1992. Now the tension is increasing every day. The Black Sea fleet and the so-called Crimean president are to blame for that.

Kravchuk Says Laws Do Not Allow Joint Fleet

LD2406183294 Kiev UNIAN in Ukrainian 1600 GMT 24 Jun 94

[Text] Crimea—During the election marathon on 24 June Leonid President Kravchuk of Ukraine met with workers of the "Nassinnysky" state farm and the village of Roskoshnoye. To a question about the division of the Black Sea Fleet, in particular about Oleksandr Moroz's remarks that the Black Sea Fleet should be a joint one, the president of Ukraine noted: "The fleet can either be single or divided but a joint one would mean that there would never be peace here."

According to Leonid Kravchuk, by law Ukraine has three types of forces: land, air, and sea forces. "As president I implement the Supreme Council law. If the Black Sea Fleet is a joint one, then the law of Ukraine needs to be changed," Leonid Kravchuk said. He also stressed that he is in favor of the main base being in Sevastopol, and he is convinced that this issue is not for the people of Sevastopol to decide in a referendum, but it is a matter for the states.

Touching on the issue of treaty relations between Crimea and Ukraine, Leonid Kravchuk noted that he "is in favor of granting the broadest possible powers to the regions, including Crimea."

Replying to a question about his attitude to Yevgeniy Saburov's opinion that "Ukraine does not need Central Committee ideologues now, but new politicians," Leonid Kravchuk said: "Entirely new politicians are needed now, who are not burdened with the Soviet Union's past."

Regarding contradictions between the constitutions of Crimea and Ukraine, Leonid Kravchuk noted that Crimea's interests and new circumstances have been taken into account in the new Ukrainian constitution.

Commenting on information that wheat would not be harvested on an area of over 180,000 hectares in Crimea, Leonid Kravchuk reported that it is planned to adopt a resolution on assistance to rural areas in certain regions on 27 June. "Assistance to these regions is the main purpose of my trip," the president said.

Regarding the presidential election of 26 June, Leonid Kravchuk expressed the conviction that "people have practically determined their positions and one should not now expect an election struggle."

Commenting on the preliminary results of the Belarusian presidential election, in accordance with which Lukashenka (45 percent) and Kebich (1.7 percent) [figure as received] have gone through to the second round, Leonid Kravchuk observed that "the people elect whoever is consistent in his policy."

Kravchuk, Zlenko Receive Thanks From Yeltsin, Kozyrev

LD2406182694 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 24 Jun 94

[Text] Ukrainian President Leonid Kravchuk and Foreign Minister Anatoliy Zlenko have received telegrams from Russian President Boris Yeltsin and Foreign Minister Andrey Kozyrev. In the telegrams Boris Yeltsin and Andrey Kozyrev express their gratitude for the congratulations and good wishes in connection with Russia's national holiday—the Adoption of the Declaration of the Russian Federation's Sovereignty Day.

In his telegram, President Yeltsin confirmed Russia's desire to develop friendly all-round relations with fraternal Ukraine unwaveringly in the name of the well-being of the peoples of our two countries.

Minister Kozyrev expressed his confidence that the development of mutually advantageous interstate relations between Russia and Ukraine will further promote consolidation of friendship and mutual understanding between the nations of the two countries, contribute to achieving security and stability in Europe and the world over.

Kravchuk Welcomes EU Funds To Shut Down Chernobyl

LD2606225094 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 26 Jun 94

[Text] The problem of the Chernobyl AES [Nuclear Electric Power Station] is of exceptional importance not only for Ukraine but also for the entire world. This is why we welcome the decision by a session of the European Union council [word indistinct] to allocate 500 million ECU's to implement the plan to completely shut down the Chernobyl AES. It is important to check this amount continuously.

This was how Ukrainian President Leonid Kravchuk commented on the decision by a session of the European Union council. He said that, it was first necessary to resolve the issue of [words indistinct]. At the moment, we do not yet know how much will be needed in order to resolve the fate of the Chernobyl AES, Kravchuk stressed.

Conference Discusses Ukrainian Issues, NATO Plans

LD2406211994 Kiev UNIA in Ukrainian 1410 GMT 24 Jun 94

[Text] Kiev, 24 Jun—The international conference "Partnership for Peace: objectives and prospects," organized by the National Institute of Strategic Research of Ukraine, is under way. John Barrett, chairman of NATO's Political Affairs Division, Ukrainian Deputy Foreign Minister Borys Tarasyuk, and Vadym Hrechaniyov, assistant to the defense minister for issues of military policy, took part in the conference among others.

The conference participants discussed NATO's attitude toward the "Partnership for Peace" program and analyzed the state's military planning and armament policy in connection with the "Partnership for Peace" initiative. The issue of Ukrainian-Russian relations within NATO's "Partnership for Peace" initiative did not remain beyond the attention of the conference participants.

Today, the conference participants discussed prospects for Ukraine's defense policy and the Ukrainian issue within NATO's plans. NATO's representative John Barrett delivered a report on the geopolitical location of Ukraine and its influence on NATO's plans for the implementation of the "Partnership for Peace" program. The participants in the conference analyzed the political, economic, and military aspects of this issue.

Experts Discuss Military Hardware Exports

LD2406144394 Moscow INTERFAX in English 1348 GMT 24 Jun 94

[Text] Ukraine can soon become a major exporter of domestically manufactured military hardware. Such a

view was expressed by experts, helping Ivan Plyush, a presidential candidate, to conduct his election campaign. They published a paper with analysis of the situation in the industrial military complex and its prospects.

They contend that the most hopeful export commodity could be the T-84 tank designed in Kharkov. It is superior in its characteristics to both its Western counterpart and the Russian T-80 tank. Experts regard diesel submarines, anti-aircraft and anti-submarine missiles as equally promising for Ukrainian export.

They revealed that next year the country plans to put out a new modification of the Kalashnikov automatic rifle, out-performing the basic model. They single out Asia as the most lucrative market for Ukrainian arms. An offer from an Indian company called Resources Argumentation is seen as particularly enticing for Kiev. Especially as they offer \$5-\$7.5 billion in long-term credit to advance Ukrainian industry.

When the USSR was in existence, Ukraine's share in the Union's production of arms amounted to 40 percent for spacecraft, up to 50 percent for tanks, and up to 15 percent for other arms. At the same time, by some statistics, up to 20 percent of Ukrainian industry worked for defense. Since then the figure has shrunk to 10 percent.

Meanwhile, Ukraine and the U.S. have reached agreements to implement projects on converting some Ukrainian munitions plants to civilian production. This concerns a Kiev-based aircraft construction plant where civilian aircraft are planned to be assembled, the Malyshiev plant (diesel engines production), and the Arsenal plant (medical equipment manufacture).

Experts estimate the conversion projects at \$770 million.

Ukraine Joins Danube Commonwealth

LD2406214594 Kiev UT-1 Television Network in Ukrainian 1800 GMT 24 Jun 94

[Summary] Ukraine became a member of the Commonwealth of Danube Lands [Spivdruzhnist Dunayskykh Zemel] on 23 June. A session of the Commonwealth took place near Budapest on 23 June, where Ukraine was represented by Odessa Oblast. The issues of losses caused by UN sanctions against former Yugoslavia, the economy, the environment, and joint action by Danube lands in the areas of sport and tourism were examined at the session. Delegations from Germany, Austria, the Czech and Slovak Republics, Romania, and Bulgaria took part.

Ruslan Bodelan, people's deputy of Ukraine and chairman of Odessa Oblast Council, who headed the Ukrainian delegation, said at Budapest airport: "This is another step toward our state's claim to the possibility of resolving issues jointly with our counterparts, with other countries. This especially concerns use of the Danube artery as a river, along which cargoes can and should be

transported with the help of our Danube Shipping Company. It is about resolving problems of the ecological state of the Danube, preserving our reservations and national parks, and developing national culture and national traditions."

National Affairs

Kravchuk, Kuchma To Fight in 2d Round Election

LD2706121194 Moscow ITAR-TASS in English 1112 GMT 27 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnhik]

[Text] Kiev 27 June TASS—According to preliminary data in Ukraine's presidential election, held on Sunday [26 June], ex-prime minister Leonid Kuchma and current President Leonid Kravchuk will fight it out for the country's top seat in the second round of voting, due to be held July 10. Kravchuk gathered the most votes, ITAR-TASS learned from reliable sources.

According to Ukrainian political observers, Kravchuk seems to have a good chance of retaining his job. His reelection would ensure stability in Ukraine's foreign and internal policies, maintain the now-noticeable trend towards economic stability, and prevent an outbreak of political conflicts, they say.

Kravchuk, 60, began his political career as a Communist Party member. He has admitted that the high point of his career should have been department head in the Ukrainian Communist Party's Central Committee, but fate apparently had different things in store for him.

Kravchuk resigned his party membership after the August 1991 coup attempt in Moscow, and was elected president of Ukraine in December of that year with a significant margin of victory over his opponents.

Kravchuk started agitating for a postponement of the presidential election early in June, arguing that the absence of a new Ukrainian constitution, the undefined powers and responsibilities of the president, and imperfect structure of the executive branch made it difficult to fairly elect a president. The new session of parliament, however, confirmed its predecessor's judgement, and the electoral campaign entered its final heat.

In less than one month Kravchuk visited all the regions in the country, signed an agreement between Ukraine and the European Union on cooperation and partnership, and issued a series of decrees aimed at improving the social and economic situation in the country. His rating grew so much during that period that his competitors were left far behind. The practically-unanimous support of voters in western Ukraine, who christened the president "national-democrat number one," formed the core of Kravchuk's electoral success.

Predictions concerning ex-premier Kuchma's fate seem to have been justified as well. Kuchma, 55, stood at the head of the government for 11 months, and now leads the Ukrainian Union of Industrialists and Entrepreneurs. His platform revolves around the need for a union with Russia, which is supported by a large percentage of Ukraine's population. Among Kuchma's assets is the support of the factory managers and, the presidential candidate is hoping, their shop workers as well.

Political experts have not overlooked Kuchma's minuses either. Under his leadership, the government soon fell under sharp criticism. At that time, Kuchma admitted to reporters that he did not read newspapers, because he did not like everything that he saw printed there. When the premier became convinced that he could not manage the state apparatus, he resigned his job. "I do not intend to carry that heavy cross until my death," he declared then.

Although he left his post as prime minister, the former industrial boss was far from renouncing political activity altogether. "I am not going to fall out of the orbit of politics or burn up like a meteor" the presidential hopeful announced.

Official Gives Preliminary Results

LD2706112794

[Editorial report] Kiev Radio Ukraine World Service in Ukrainian at 1000 GMT on 27 June broadcasts a live relay from the Central Electoral Commission, which includes a 12-minute live interview with Viktor Pohorilko, deputy chairman of the Central Electoral Commission. Pohorilko gives the following preliminary information about the presidential election results:

- Poltava Oblast: Leonid Kravchuk 29.5 percent, Leonid Kuchma 28.4 percent, Oleksandr Moroz 18.2 percent, Volodymyr Lanovyy 14 percent.
- Kirovograd Oblast: Leonid Kravchuk 31 percent, Leonid Kuchma 20 percent, Oleksandr Moroz 22 percent, Volodymyr Lanovyy 17 percent.
- Rovno Oblast: Leonid Kravchuk 70.7 percent.
- Lvov Oblast: Leonid Kravchuk approximately 70 percent.
- Kherson Oblast: Leonid Kravchuk 25 percent, Leonid Kuchma 34 percent, Volodymyr Lanovyy 9.9 percent, and Oleksandr Moroz 19.5 percent.
- Republic of Crimea: Leonid Kuchma 82.5 percent, Leonid Kravchuk 7 percent. Petro Talanchuk and Ivan Plyushch got 2-3 percent.
- Sevastopol: Leonid Kuchma 82 percent. Petro Talanchuk and Ivan Plyushch got 2-3 percent, and Volodymyr Lanovyy and Oleksandr Moroz got slightly more than Talanchuk and Plyushch.

In conclusion, Pohorilko emphasizes that these are only preliminary results, not the final figures. In general, the candidates winning the most votes are Leonid Kravchuk

and Leonid Kuchma; the candidates with the next largest number of votes are Oleksandr Moroz and Volodymyr Lanovyy.

Voter Turnout Described

LD2706082994 Kiev UNIAN in Ukrainian 0700 GMT 27 Jun 94

[Text] Kiev—The final results of voting in the election of Ukraine's president and the election of deputies and chairmen of councils of all levels became known late in the evening of 26 June.

According to information from the Central Electoral Commission, on average 68.04 percent of voters took part in the elections. (UNIAN's records say that 84.9 percent took part in the presidential election in 1991).

Location	Percentage of Voters
The Republic of Crimea	60.4 percent
Vinnitsa Oblast	74.7 percent
Volyn Oblast	76.0 percent
Dnepropetrovsk Oblast	64.8 percent
Donetsk Oblast	62.5 percent
Zhitomir Oblast	73.8 percent
Transcarpathia Oblast	65.9 percent
Zaporozhye Oblast	61.0 percent
Ivano Frankovsk Oblast	78.4 percent
Kiev Oblast	68.0 percent
Kirovograd Oblast	68.5 percent
Lugansk Oblast	65.4 percent
Lvov Oblast	78.4 percent
Nikolayev Oblast	65.0 percent
Odessa Oblast	63.1 percent
Poltava Oblast	76.5 percent
Rovno Oblast	77.8 percent
Sumy Oblast	79.9 percent
Ternopol Oblast	83.0 percent
Kharkov Oblast	74.3 percent
Kherson Oblast	65.5 percent
Khmelnitskiy Oblast	78.9 percent
Cherkassy Oblast	72.2 percent
Chernobyl Oblast	75.5 percent
Chernigov Oblast	75.9 percent
City of Kiev	51.6 percent
Town of Sevastopol	63.7 percent

Kuchma Wins Crimea Vote

LD2706094994 Moscow ITAR-TASS World Service in Russian 0916 GMT 27 Jun 94

[Text] Simferopol, 27 Jun—Former Prime Minister of Ukraine 55-year-old Leonid Kuchma got the most votes

in Crimea during the presidential elections on Sunday. He got 82.6 percent of the votes on this peninsula.

The current head of state Leonid Kravchuk won 7.4 percent of the votes in Crimea, ITAR-TASS learned from informed sources.

It was Leonid Kuchma's promise during his Crimean pre-election tour of full economic independence for the peninsula and the promise he made to put relations with Ukraine on a treaty basis that won him this election result, observers say.

According to finalized figures given by the Central Electoral Commission, 62.7 percent of the Crimean electorate turned out for the Ukraine presidential elections.

Wins in Crimea, Sevastopol

LD2706134394 Kiev UNIAN in Ukrainian 1125 GMT 27 Jun 94

[Excerpt] Simferopol [dateline as received]—The district commission for the election of a president of Ukraine today summed up the results of the 26 June voting in Crimea. The residents of the peninsula expressed the wish to see Leonid Kuchma in this post —825,250 people voted for him, or 82.6 percent. Leonid Kravchuk received 74,243 votes (7.4 percent); Volodymyr Lanovyy received 33,623 (3.4 percent); Valeriy Babych received 19,273 (1.9 percent); Oleksandr Moroz received 12,640 (1.3 percent); Ivan Plyushch received 2,975 (0.3 percent); and Petro Talanchuk received 2,224 (0.2 percent).

Elections to Crimea's Supreme Council took place at four polling stations in the Republic of Crimea. However, none of the candidates received the required number of votes to enter parliament at the first attempt. The second round of voting in the election to Crimea's Supreme Council will take place 10 July.

According to Yuriy Sakharov, deputy chairman of the district commission, there were no gross violations of the electoral Law at polling stations. The elections took place in the presence of representatives of candidates for president of Ukraine and foreign observers.

Sevastopol—On 26 June, 200,000 Sevastopolites of the 305,000 on the voting lists visited the town's polling stations, while 198,000 took part in the election for a president of Ukraine. Leonid Kuchma received the most votes—162,700 people voted for him (82 percent). Leonid Kravchuk was second, with 11,000 votes (5.55 percent); Volodymyr Lanovyy received 7,900 votes (3.96 percent); Oleksandr Moroz received 4,800 (2.42 percent); Valeriy Babych received 2,000 (1.04 percent); Ivan Plyushch received 878 (0.44 percent); and Petro Talanchuk received 585 (0.29 percent). [passage omitted]

Kuchma Appeals for Support in South Ukraine

LD2406165194 Moscow ITAR-TASS in English 1619 GMT 24 Jun 94

[Report by ITAR-TASS correspondent Galina Nekrasova]

[Text] Lvov 24 June TASS - On the eve of the forthcoming presidential elections in Ukraine, which are scheduled to be held on 26 June, presidential candidate Leonid Kuchma has appealed for support from residents of the south Ukraine, so as to relieve him of accusations of taking a "pro-Moscow" stand.

He explains to electorates that Ukraine cannot survive without close cooperation with Russia. "One can hate the Russian autocracy, Stalinistic terrorism, but what it has got to do with contemporary economic cooperation with Russia," Leonid Kuchma said. "I am against dictatorship of Moscow, but for equal and mutually beneficial relations," he said.

It is difficult to say, how far effective this appeal will be. West Ukrainian electorates sympathize with current president Leonid Kravchuk. Three years ago at the first presidential elections they had opposed Kravchuk, and had supported his only adversary Vyacheslav Chernovil. Now there mood has taken a 180 degree turn.

Undoubtedly, West Ukrainian votes won't be decisive in Sunday's presidential elections, but they can have a significant effect on the fate of one or the other candidate.

Kuchma To Take Economic Measures First If Elected

LD2606140094 Kiev UNIAN in Ukrainian 1235 GMT 26 Jun 94

[Text] Kiev—To the question from a UNIAN correspondent: "What will you do if you find out that you have been elected president of Ukraine or that you have gone through to the second round of the election," Leonid Kuchma, a candidate for president of Ukraine, noted: "If I am not elected, I would cross myself with happiness." In the event of his election he would take his first steps in the economy because "the point from which one should begin is to bring order to one's home."

With regard to possible cooperation with Vitaliy Masol, prime minister of Ukraine, if he is elected president, Leonid Kuchma replied that this is a question to which he does not yet know the answer at the moment.

Kuchma Criticizes U.S. for Not Delivering Promised Aid

LD2606172594 Moscow Russian Television Network in Russian 1600 GMT 26 Jun 94

[From the "Vesti" newscast]

[Text] Speaking at polling station No. 4 in Kiev, Leonid Kuchma today told Western correspondents that 90 percent of the Ukrainian people are on the brink of poverty. Everyone abroad seems to think that everything is nice and quiet in Ukraine. However, the danger of transforming Ukraine into a new Yugoslavia persists. Kuchma was obliquely criticizing the United States, which had promised economic aid to Ukraine in exchange for its nuclear disarmament. For now, all we have received are words, but not a cent.

Kuchma believes that there is no problem with the Crimea. The conflict there is a myth used for political purposes, he said. These words are regarded as a hint on Kravchuk's position. The former Ukrainian prime minister also said that no one can order the Russians to leave Sevastopol.

Kuchma Urges Free Economic Zone Status for Crimea

LD2506083994 Moscow ITAR-TASS in English 0709 GMT 25 Jun 94

[Report by UKRINFORM correspondent Lev Ryabchikov for TASS]

[Text] Simferopol 25 June TASS—The Crimea, remaining an integral part of Ukraine, should become a free economic zone, a sort of a launching site for the economic processes, which will later be adopted by the whole of Ukraine, Leonid Kuchma said here on Friday [24 June]. The Crimea became the last region he visited in the course of his tour of Ukraine as a presidential candidate.

The Ukrainian ex-prime minister, who, according to the results of some public opinion polls, is the second most popular politician after President Kravchuk, had meetings with electors at industrial enterprises and farms and held talks with senior officials from the Crimean Government.

Speaking at a press conference, Kuchma said that he liked the reforms which are being worked out in the Crimea. He expressed confidence that the Crimea could not be brought back to its previous state, that of one of Ukraine's regions. When tackling controversial problems, it is necessary to take into consideration the real situation, the characteristic features of each particular region, he said. In his opinion, talks between Ukraine and the Crimea should be on the same level as between Russia and Tatarstan.

Kravchuk Promises Help for Crimea's Drought-Stricken Areas

LD2406183694 Moscow ITAR-TASS in English 1708 GMT 24 Jun 94

[Report by ITAR-TASS special correspondent Viktor Demidenko]

[Text] Dzhankoi (the Republic of Crimea) 24 June TASS—Ukrainian President Leonid Kravchuk does not regard his tours of the country as a campaign for once again being elected to the country's top most post. He considers them as visits by the head of state, who wants to acquaint himself with the state of affairs in Ukraine, he said this after his arrival in the republic of Crimea due to the unprecedented drought that has struck the peninsula's steppe areas. According to old residents, they have not seen such a dry summer during past 20 years.

President Kravchuk was received at the Dzhankoi airport by Crimean Supreme Soviet Chairman Sergey Tsekov and other officials. But President of the Crimean Republic Yuriy Meshkov was not seen among them. During a press conference on the tarmac, Leonid Kravchuk said he does not regard this as a big tragedy.

The Ukrainian president told journalists that he intends to personally acquaint himself with the situation prevailing in the area due to the drought, and decide what help is needed by the people and farms.

When asked about his chances of once again being elected president, Leonid Kravchuk replied that every person has his chances, but they are determined by the electorate, who come to cast their votes.

Regarding the Black Sea Fleet problem, Leonid Kravchuk said that his stand remains unchanged. According to him, statements made by certain political leaders about not dividing the fleet and decide bases, do not stand up to criticism. "The fact is that this view point is not shared by Russia and, in particular, by President Boris Yeltsin." "Besides this, the president emphasised, there is a law adopted by Ukraine's Supreme Soviet, which states that the fleet be divided and bases for ships must be determined. And I, as head of state, must carry out this," he said.

Speaking of basing ships, Leonid Kravchuk emphasised that the Black Sea Fleet base should not be designated as the city of Sevastopol, but as Russia's Black Sea base in Sevastopol. According to him the Ukrainian Navy, apparently, will be based in Balaklav.

Kravchuk Says New Constitution To Solve Crimean Problem

LD2406192094 Moscow INTERFAX in English 1612 GMT 24 Jun 94

[Text] Ukrainian President Leonid Kravchuk told journalists Friday that the differences between the Constitutions of Ukraine and Crimea could be resolved by adopting a new Ukrainian Constitution, which would recognize the interests of every region and take into account what he called new circumstances. Meanwhile, he said, every individual and region had to abide by the existing Constitution.

Kravchuk thought that as much power as possible could be given to Crimea on the proviso that Ukraine remained an integral whole.

He recalled that under Ukrainian legislation and international law Crimea was part of Ukraine and this should not be changed.

The conflict of Crimean and Ukrainian legislation started on 20 May 1994 when the Crimean Supreme Soviet restored the initial 6 May 1992 wording of the Crimean Constitution under which the relations between Crimea and Ukraine were to be guided by a treaty between them and Crimean residents could have dual citizenship.

Kiev demanded that the Crimean Constitution be aligned with Ukrainian legislation.

Kravchuk To Use Other Candidates' Ideas If Elected

LD2606134894 Kiev UNIAN in Ukrainian 1235 GMT 26 Jun 94

[Text] Kiev—In reply to the question from a UNIAN correspondent, "What will you do if you find out that you have been elected president of Ukraine or that you have gone through to the second round," Leonid Kravchuk said: "If I am at home at the time, I will have a glass of cognac. If I am at work, I think I may do the same, and then I will get on with ordinary matters." According to Leonid Kravchuk, the question "What will you do if you find out you have been elected president" is a problem for the other candidates for president. For all his brilliant imaginings about the presidency, another candidate does not know what steps to take, while Kravchuk has been taking these first steps for two and a half years; therefore, he does not have this problem, he says.

Leonid Kravchuk sees his priority actions in the event of his election to president of Ukraine as implementing his program, while making use of all of the best points from the programs of the other candidates for this post, and also the formation of a government.

Leonid Kravchuk considers his cooperation with Vitaliy Masol, Ukraine's prime minister, to be "normal," observing that Masol is not a "closed book" to him, because they once worked together. "Of all the contenders for the post of president of Ukraine, only I know him, and therefore I do not have a 'Masol problem.' If someone else is elected, however, then he will have this problem," Leonid Kravchuk said.

Kravchuk: Ukraine Will 'March the Road' of Reforms

LD2606110894 Moscow ITAR-TASS in English 1055 GMT 26 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 26 June TASS—"Ukraine will march the road of radical political and economic reforms. This is for sure. We have no other way if we want to build an economically strong and independent state and if we want to improve the life of people," incumbent President Leonid Kravchuk said in reply to journalists after casting balloting papers at one of Kiev's polling stations on Sunday.

"If I'm elected president, I shall continue reforms, shall work to resolve all difficult issues concerning the state and the government," he continued.

He stressed that special attention "will be given to privatisation, a change in currency regulation, the tax system, price formation, labour remuneration and pensions.

"It will be necessary to tackle urgently also foreign economic problems: Customs houses, customs duties, relations with other states and stimulation of exports to earn hard currency."

Kravchuk on Relations With Russia, Chernobyl Problem

LD2606114294 Moscow ITAR-TASS in English 1128 GMT 26 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko, Mikhail Melnik]

[Text] Kiev, 26 June (TASS)—The development of relations with Russia should have a priority importance, Leonid Kravchuk said today after he cast his ballot at one of the Kiev polling stations. "They just cannot be other than a priority for us," he stressed.

Kravchuk expressed confidence that "no matter who will become president of Ukraine, he will have to proceed from the assumption that relations with Russia should have a special status, taking into consideration the past and the future of our two countries. If we forget about it, we shall put in a difficult situation both Ukraine and Russia."

"I shall be very glad if my words are met with understanding by the Russian leaders. If we learn to speak about each other in this way, to respect each other, I am sure 70 per cent of problems we are facing today will be removed. This is the most important, the central problem of our policy," he said.

"The problem of the Chernobyl power plant is extremely important not only for Ukraine, but also for the whole world. This is why we welcome the decision of the summit session of the council of the European Union to allocate 500 million ECU on the implementation of plans of a complete shutdown of the power plant, but the sum should be calculated once again," Kravchuk said, commenting on the decision of the EU council.

The Ukrainian leader told ITAR-TASS that "the first problem to be resolved is that of the future of the city, of

the people who live there... We still do not know how much money is needed for resolving the problem of the Chernobyl nuclear power plant."

Kravchuk To Press for Nonproliferation Treaty If Elected

LD2606151794 Moscow ITAR-TASS in English 1458 GMT 26 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 26 June (TASS)—"If I am elected president of Ukraine, I will insist on parliament immediately considering the treaty on the non-proliferation of nuclear weapons," Ukrainian President Leonid Kravchuk said in an interview with TASS on Sunday [26 June].

Kravchuk reported that he had already submitted his proposals on this issue to parliament.

"Joining the treaty, although with certain reservations, has been the only correct step taken by Ukraine in this direction," the president stressed.

He is convinced that "the world and the Ukrainian people itself will estimate this step at its true worth."

Kravchuk expressed confidence that the newly-elected parliament would resume considering this document.

Kravchuk Terms Slav Union Idea 'Dangerous'

LD2606130094 Moscow ITAR-TASS World Service in Russian 1203 GMT 26 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko, Mikhail Melnik]

[Text] Kiev, 26 Jun—"Alliances based on ethnic identity are dangerous per se, for they inevitably engender nationalism, panslavism, and all that ensues from it," Ukraine's President Leonid Kravchuk told ITAR-TASS today, when asked about a possibility of creating a Slav union. "Both politicians and historians condemn it, knowing that that is where aggravated nationalism is rooted," he said.

Leonid Kravchuk also believes that this question is not quite specific in practical terms. "As for a union, one should then speak in terms of East Slavs, rather than Slavs. Otherwise, what should one do with Poland, Slovakia, Yugoslavia, or Bulgaria? Thus, the Slavs will be divided into Western Slavs and Eastern Slavs," he summed up. One should bear in mind that about 30 million Russians, Ukrainians, and Belarusians live beyond the borders of Russia, Ukraine, and Belarus. "The Slav Union will inevitably create problems for them." "By having such a union, we will split in two those states where Slavs and non-Slavs live." Kravchuk is convinced that "by this step we will begin dividing states of the former Soviet Union." He expressed the

belief that this would be followed by creating Asian and other unions, and "then horrible confrontation will begin."

"One should not raise questions that are ready to be resolved today, neither theoretically nor practically. One should live and follow the chosen path: build independent states but not on the basis of ethnic identity," he said. "We are building a civil society in Ukraine and Russia is building the same society in its country. If we pursue a different policy a social explosion is possible. Russia is also not 100 percent a Slav state."

"I advocate economic relations, integration, and the use of the CIS in resolving issues that can be resolved by good will," Kravchuk said. In his opinion, one should not try and establish new structures and organizations immediately, he said. One should do everything to avoid confrontation between states and peoples, he said.

Kravchuk: Supreme Council Cannot Limit President's Powers

LD2606140594 Moscow ITAR-TASS in English 1344 GMT 26 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 26 June TASS—"Ukraine's Supreme Soviet cannot limit the head of state's powers after presidential elections" unless the latter agrees to it, Ukrainian President Leonid Kravchuk told TASS on Sunday [26 June].

"In case the parliament takes this path, it should first ask for the people's approval," he added.

If in three months the parliament "raises a question about a referendum, this may spell the termination of its activities, since people will not stand any new elections or referendums," the president believes.

Kravchuk is confident that lawmakers will not choose to take this move. In his opinion, if the parliament tries to restrict the president's powers without his agreement, this will lead to confrontation entailing grave consequences.

However, Kravchuk fears that left-wing lawmakers may revise the course approved by the 1991 people's vote and currently pursued by Ukraine. "This may cause confrontation," he said.

The president is strongly convinced the people advocates its state's independence and such values as personal freedom, family and confidence in the future. If a person is not economically free to choose the form of ownership, or areas for applying his or her intellectual and professional potentials, any talk about rights and liberties will be out of place. For these reasons, the president believes one should not trifle with such things as politics, property, social security and armed forces.

We should proceed along the road we have chosen, Kravchuk said. We should improve our political line and adjust it, if appropriate, that is to revise our tactics rather than strategy. Otherwise, we will face confrontation and war, the president emphasised in conclusion.

Kravchuk Says 450,000 Serving in Army

LD2606185694 Moscow ITAR-TASS World Service in Russian 1530 GMT 26 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Excerpt] Kiev, 26 Jun—[Passage omitted]

"At the present stage, Ukraine's Armed Forces are being organized and developed in accordance with our state's military doctrine. There are currently 450,000 servicemen in the Army," Leonid Kravchuk said. "I do not think this number is final. The question of the organization of the Army and its armament is under constant study and is the focus of the attention of state bodies. The possibility of some Army subunits switching to service on a professional basis is being examined." [passage omitted]

Constitutional Democrats Criticize Kravchuk Trade Decrees

LD2506191494 Kiev UNIAN in Ukrainian 0800 GMT 25 Jun 94

[Text] Kiev, [no date as received]—On 24 June the political council of the Constitutional-Democratic Party of Ukraine circulated a statement on the decrees by the president of Ukraine "on urgent measures to ensure correct legislation on trade and to step up the fight against black marketing" and "on urgent measures to return currency valuables to Ukraine."

The statement refers to the first decree that will lead to the "ruination of trade which, for some reason, is being permanently called black marketing." Tremendous powers vested by this decree in state bodies, including the fire inspectorate, and the right to determine "the expediency of accommodating trade facilities" will inevitably lead to the further development of corruption and trade's transition to the "shadow [as received]." "The ruination of trade was not the last of the factors which resulted in an end to the all-Ukrainian market ceased, and the volume of production has decreased as a result of this," says the statement. "Abuses in state trade can be done away with only with large-scale privatization and demonopolization of state trade and an end to price regulation," believe the Constitutional Democrats.

The decree on the return of currency valuables will have opposite consequences: Currency will forever remain in the West. In the opinion of the Constitutional Democratic Party, both decrees are purely populist. They show Leonid Kravchuk as a person who is ready to harm country's economy for the sake of winning the election.

Kravchuk Supports Private Ownership of Land

LD2506180094 Kiev UNIAN in Ukrainian 1610 GMT 25 Jun 94

[Text] Poltava-Cherkassy, [no date as received]—On 25 June President Leonid Kravchuk visited Poltava and Cherkassy Oblasts, where he met local residents.

Replying to a UNIAN correspondent's question on where the danger was in the Ukrainian Supreme Council's draft law "on introducing amendments and additions to the Ukrainian law 'on the formation of the bodies of local power and self-government,'" which he recently vetoed, and whether he assessed this draft law as a deliberate move by the left-wing majority in parliament, Leonid Kravchuk pointed out: "This draft law was adopted in violation of three articles of Ukraine's Constitution, and it does not matter to me who violates it, either the left-wingers or the right-wingers, because everyone must respect the Constitution, while the Supreme Council and the president should provide an example of respect. If this kind of attitude toward the Constitution is displayed at this level, then it is necessary to announce that we have no Constitution and that we live in compliance with current laws which are adopted either by the left-wing or the right-wing majority."

As far as private ownership of land is concerned, which Supreme Council Chairman Oleksandr Moroz recently spoke out against, Leonid Kravchuk replied that neither the president nor the chairman of the Ukrainian Supreme Council solves this issue, but the Supreme Council of Ukraine does, as a legislative body, proceeding from the proposals to be put forward by the regions, as well as the decisions by the oblast councils and also people's will. "I have already said that all the talk about democracy, citizens' rights, and freedoms should be discontinued if a citizen of Ukraine, who wants and who can buy a plot of land is banned from doing this," said Leonid Kravchuk.

Electoral Law Violations Reported in Odessa Rayons

LD2706084494 Kiev UNIAN in Ukrainian 0700 GMT 27 Jun 94

[Text] Odessa, 26 Jun—The "Ukrayina" Oblast Electoral Committee has received telephone calls about violations of the Electoral Law. For example, at most polling stations in Suvorovskiy, Kievskiy and Ilyichevskiy rayons of Odessa, the election posters of Vladlen Ilyin, representative of the president in Odessa oblast and candidate for the post of oblast council chairman, were removed, while posters of his rival, Ruslan Bodelan, were prominently displayed at all polling stations.

There was open electioneering for Lev Vershynin, candidate for deputy to Odessa town council, and Leonid Kuchma, candidate for president of Ukraine, at polling station No. 18 of central electoral district 366 of the town of Odessa. When an observer remarked on this, the response was a threat to call the militia.

Violations Confirmed

*LD2506155794 Kiev UNIAN in Ukrainian 1430 GMT
25 Jun 94*

[Text] Kharkov—Commenting on the course of the pre-election campaign in an interview with a UNIAN correspondent on 25 June, officials of the regional state administration and Mykola Seleznyov, secretary of the regional electoral commission, confirmed numerous violations of the electoral law, such as the misuse of office, transport, and human resources, and the use of financial resources above the norm.

Kharkov residents are saying that some constituency commission members are going to elderly electors' apartments, carrying boxes and writing out their passport details and taking samples of their signatures.

Mykola Seleznyov said that he is concerned at there being a number of violations which overall could affect the results of the ballot in some constituencies.

Kravchuk, Kuchma Preview Post-Election Period

*AU2706102694 Vienna DER STANDARD in German
27 Jun 94*

[Report by Marianne Sajdik: "Ukrainians in Favor of Privatization"]

[Text] "I have voted against the red dictatorship," a young man shouted, gesticulating fiercely. A few seconds later he was arrested by the militia. Election Sunday in Kiev: In front of the number four ballot station in the prosperous Old Kiev area, the Ukrainian intelligence service was hanging about in small groups. Former Prime Minister Leonid Kuchma was the first to cast his vote in these presidential and municipal elections, shortly after 0900. Asked by DER STANDARD, why he had only turned towards Russia during his time in office, Kuchma said: "When you have only beetroots in the fields and when petrol cans are empty, you have to go to Moscow."

If he, Kuchma, becomes president, he will make sure there is a new parliament. Reforms will continue, the Ukraine can do without humanitarian aid. But the West should find some money for industry. Russia has driven Ukraine to the wall; for four months' supply of natural gas, Kiev has had to pay \$1 million to Russia, and \$800,000 to Turkmenistan. During his presidency, Ukraine would become a member of the European Union, Kuchma said. This would have to happen before 1997, the year when the president's legislative term ends.

President Leonid Kravchuk came to the ballot station shortly after 1100. Speaking to DER STANDARD, Kravchuk was convinced that he will win the elections: "People understand my policy; like me, they are in favor of privatization, although parliament is against it." If parliament tried to cut his rights as president, this could result in a dangerous confrontation, Kravchuk said.

Kravchuk spoke out in favor of a political and economic confederation of Belarus, Russia, and the Ukraine. A union of all Slavic nations would, however, be dangerous, because 30 million Slavs living in the Asian republics would return: "We cannot take them all in." In addition, the Asian nations might also form a union, which would not help anyone. In conclusion, Kravchuk said that so far the West has only promised help without delivering it.

Crimean Tartar Council Leader Views Dispute, Autonomy

*AU2406134094 Hamburg DIE WOCHE in German 23
Jun 94 p 18*

[Interview with Mustafa Dzhemilov, chairman of the Crimean Tartar Council, by unidentified correspondent; place and date not given: "Autonomy!"]

[Text] [DIE WOCHE] Who are the Crimean Tatars supporting in the Crimean conflict?

[Dzhemilov] The Crimea is our homeland. We are trying to reestablish Tartar autonomy within the confines of Ukraine. The young Ukrainian state is not responsible for the crimes against our people.

[DIE WOCHE] Most of the population of the Crimea are Russians. Do they have no right of self-determination?

[Dzhemilov] Russian claims to the Crimea stem from their conquest thereof in 1783. The Tartars are indigenous to the Crimea. We are not going to accept annexation to Russia passively.

[DIE WOCHE] Have you not backed the wrong horse?

[Dzhemilov] During the 211 years of Russian colonization, we have not experienced anything good about Russia. The Tartars were drive out of their homes, and Russians were settled in their place. In 1944, Stalin had the Tartar population deported.

[DIE WOCHE] Might not your warm feelings toward Kiev drive the Russians and Tartars further apart?

[Dzhemilov] We are already being discriminated against everywhere. There is no work for the 250,000 Tartars in the Crimea. Unemployment has reached 40 percent. Our health situation is catastrophic. We constitute 10 percent of the population, but 30 percent of its patients.

[DIE WOCHE] What would the Tartars do in the event of an armed conflict between Ukraine and the Crimea?

[Dzhemilov] Should fighting break out, we will know how to defend ourselves. We are well organized, and can deploy defense troops in the shortest time.

Masol Book Attacks Kravchuk 'Fraud'; Crimea CP Backs Kuchma

MK2406102594 Moscow PRAVDA in Russian 24 Jun 94 p 1

[Two untitled, unattributed reports on election scene in Ukraine]

[Text] A sensational publication from a yet to be published book by Vitaliy Masol, the newly elected head of Ukraine's government, has appeared on the eve of the elections. The author paints a rather unappealing portrait of his protege [as published]. Masol says that none other than President Kravchuk masterminded the introduction of the "governor-generals" [namestniki] institute which caused confusion and, in effect, dual power in the regions. None other than the president guaranteed: Deposits in the Savings Bank will be reliably protected. Owing to inflation, however, millions of people were robbed only a few months later. "Fraud, manipulation of public opinion, and thinly disguised graft are widely used by Kravchuk to shore up his shaky positions," remarks V. Masol. [first report ends]

The republic committee of the Communist Party of Crimea points out in its statement that the most reactionary circles at the present time are pooling their efforts and openly speak in support of the candidacy of the current head of state L. Kravchuk. This poses a real threat to Ukraine because it leads to preserving the course toward self-isolation, nationalist restriction, and deepening degradation of society.

The republic committee of the Communist Party of Crimea in this connection pledges its support to Leonid Kuchma. Factors in Kuchma's favor are the provisions of his election program, in particular the demand for an urgent search for ways toward economic integration with Russia and the other CIS republics and giving Russian the status of a second state language. It is precisely for this reason that the Communist Party of Crimea calls upon all communists and all the voters to vote for Leonid Kuchma on 26 June.

Kravchuk on Rejection of Joint Black Sea Fleet Control

WS2406111994 Kiev Ukrayinske Radio First Program Network in Ukrainian 1000 GMT 24 Jun 94

[Text] President Leonid Kravchuk today began his working trip to southern Ukraine with a visit to Dzhankovskyy rayon in the Crimea, our special correspondent Vitaliy Naumenko reports. The economy in this part of the Crimea is literally paralyzed by the lack of diesel fuel on the eve of the harvest campaign. Due to adverse weather conditions, thousands of hectares of crops have perished. It is expected that the harvest will be significantly lower than usual. As the head of our state noted, the main goal of his visit is to examine the state of

affairs in the agricultural sector of Dzhankovskyy rayon, and to take quick, decisive, and efficient measures to provide assistance.

Answering a question from a correspondent of Ukrainian radio, citing the fact that some of Leonid Kravchuk's rivals in the presidential race support a joint command over the Black Sea Fleet, Leonid Kravchuk stated that this standpoint is shared by neither the Russian leadership nor President Boris Yeltsin. Everyone has come to the conclusion, Leonid Kravchuk said, that the fleet can be either single or divided, but there will be no peace under this unusual—so-called joint—status. By the way, Leonid Kravchuk noted, servicemen of the Black Sea Fleet understand this.

Leonid Kravchuk also stated that, according to legislation adopted by our Supreme Council, Ukraine should have three types of armed forces—land, air, and naval. Therefore, he, as president, executes Ukrainian laws. If the Black Sea Fleet was to fall under joint command, the law would have to be amended, and one would have to state that Ukraine does not need a navy. The president also noted that he advocates, and will continue to advocate granting as many powers as possible to the Crimea, provided Crimea remains an integral part of Ukraine in accordance with the Constitution and international norms. Otherwise, if there is a coup against Ukraine's territorial integrity, all this will make no sense, the president emphasized.

Kuchma Wants To Lease Black Sea Fleet in Energy Exchange

LD2406230394 Kiev UNIAR in Ukrainian 2100 GMT 24 Jun 94

[Text] Simferopol, 24 June—Presidential Candidate Leonid Kuchma visited the Republic of Crimea. In Kerch, he met the director corps and employees of the Kerch Metallurgical Combine lease association and the "Zatoka" ship-building works (an enterprise in the military-industrial complex).

His meeting with the Crimean Republic's agrarians took place in Simferopolskiy rayon. Professor Serhiy Nikol'skyy, Crimea's minister of agriculture and food, took part in the meeting.

At a meeting with voters Leonid Kuchma said that if he becomes president of Ukraine he will resolve the problem of the Black Sea Fleet by leasing it out on condition of receiving free energy carriers from Russia, and blamed the previous government and parliament for the ratification of the START-I Treaty, in accordance with which Ukraine lost nuclear fuel, which according to Leonid Kuchma would have been sufficient for six or seven years.

Sevastopol Mayor Elected; Voters Choose To Keep Fleet

LD2706065494 Moscow Mayak Radio Network in Russian 0524 GMT 27 Jun 94

[Text] Well, the first reports are beginning to come in from Ukraine. Igor Kirpichov, a correspondent from RIA news, has rung our editorial office and his information is about Sevastopol. The townspeople have elected the city council; Viktor Semenov received the most votes. The residents of Sevastopol also had to answer the question of whether they agree to Sevastopol being the main base of the Russian Black Sea fleet. Ninety percent of the voters responded in the affirmative to this question. I repeat that this was a RIA report.

Well the situation regarding the candidate for the president of Ukraine is still not clear.

Nationalists Set Up Antifascist Committee

LD2406101794 Moscow ITAR-TASS in English 0844 GMT 24 Jun 94

[Report by ITAR-TASS correspondent Galina Nekrasova]

[Text] Lvov 24 June TASS—The Ukrainian National Assembly (UNA), which has a combat paramilitary organisation UNSO (People's Self-Defence), has become the initiator of the formation of an anti-fascist committee and appointed Oleg Vitovich, a nationalist from Lvov and people's deputy to the Ukrainian parliament, as committee chairman.

UNA leader Anatoliy Lupynis, in an interview with the UNIAN news agency, said the democrats and liberals were the locomotives of political fascistisation in Ukraine.

It is noteworthy that it is precisely the selfsame democrats and liberals who refer to the UNA-UNSO organisation as a modern neonazi one, because its militants participated in the recent military conflicts in the Dniester region, Georgia, interconfessional strife inside the state, and now leave for the Crimea for summer "holidays."

Masol Urges Consensus; To Propose Government Members

LD2606093794 Moscow ITAR-TASS World Service in Russian 0905 GMT 26 Jun 94

[Report by ITAR-TASS correspondent Mikhail Melnik, Ukrinform correspondent Raisa Stetsura]

[Text] Kiev, 26 Jun—"I am giving my vote to the democratic, rule-of-law, independent, and self-governing Ukraine, to an economically powerful state in which my people will live much better," said Ukraine's Prime Minister Vitaliy Masol today commenting on his participation in the presidential and local election.

In an interview to journalists at a polling station, he spoke in favor of cooperation between all branches of power in Ukraine. "If there is no such consensus, we will be unable to avoid certain collisions," he said.

Vitaliy Masol said that apart from the election results, he would soon propose at the parliament the list of government members. The prime minister declined to comment on a possible cabinet reshuffle.

Minister Fields Questions on Economy

944K1538A Simferopol KRYMSKIYE IZVESTIYA in Russian 21 Jun 94 p 1

[Interview with Minister of Economics Andrey Chernyavskiy by V. Savchenko under the rubric "Economics: The Market, Reforms": "The Most Dangerous Thing Now Is Not To Do Anything"]

[Text] Crimeans are expecting concrete actions from the new government today. And one must say that a start has been made. The Program of Economic Reforms for 1994-98 was considered and approved at the meeting of the government. Ahead lies its approval by the Supreme Council.

We addressed several questions to one of the program's main developers, Minister of Economics Andrey Chernyavskiy.

[Savchenko] Andrey Vasilyevich, which initial steps must be taken for the economy of Crimea to emerge from its crisis condition? Are these envisioned in the program?

[Chernyavskiy] Yes, the program earmarks tasks for the medium-range future that must be carried out during the course of this year. First of all we must improve legislation, contribute to the establishment and strengthening of economic ties with suppliers of raw material and consumers of products, implement a complex of measures for improving the system of credit for enterprises, and try to supplement their working resources. These tasks ensue from an overall analysis of the situation in Crimea, which is given in the first part of this program.

The situation in Crimea, as throughout all Ukraine, is indeed difficult since the transition to a market economy is proceeding more painfully than in Russia. This is related to the slow progress along the path of reforms. Privatization is being drawn out. In spite of the fact that the old levers for management of the economy have been lost, certain elements of the old system remain. For instance, the fixed exchange rate between the karbovanets and foreign currencies, the system of ministries, and the system for distribution of financial resources and regulation of wages. Last year Ukraine experienced hyperinflation, which is causing a sharp drop in the standard of living of people, primarily those who receive incomes from the budget. But they include physicians, teachers, and pensioners. The only positive tendency in Ukraine's modern economic policy is its course toward

strengthening the karbovanets. But this, in turn, is having a painful effect on the financial resources of enterprises and incomes of the population. Enterprises are experiencing a deflation shock. Prices continue to rise out of momentum. The production slope has become ingrained and, since the beginning of the year, industrial production has decreased by more than 30 percent.

[Savchenko] And which enterprises are already standing idle? Foton?

[Chernyavskiy] Foton is still in operation, but the Dzhankoyskiy machine building plant has been shut down. Completely.

The government is faced with the problem of normalizing the activity of Crimean enterprises and agriculture during this transition period and setting up a financial-credit system. In our opinion, it would be a good idea to bring foreign banks into the territory of Crimea. They would be the conductors of foreign investments, they would make it possible to reduce credit rates, and perhaps they would also make it possible to effectively invest the funds of both the population and the enterprises. But, so far, this intention of the Crimean Government is encountering stiff resistance from Ukraine. In the banking sphere its government is conducting a policy of isolationism and refusal to allow foreign banks on its territory.

The amount of internal capital needed to open a new bank has also increased. It is equivalent to 3 million ECU's. At the market exchange rate this is \$1 million. Not everyone can meet this requirement.

I should also like to mention the fact that Crimea is not getting its fair share of credit resources. It is necessary to enter a negotiating process with Ukraine so that the republic will receive them at least on the same level as other oblasts. This would make it possible for enterprises and trade organizations to breathe more freely.

[Savchenko] Do you discuss the crucial problems of the present day with the leaders of the enterprises?

[Chernyavskiy] Yes. Conversations with directors show that there are many obstacles to their normal activity. The Crimean economy is extremely open and many enterprises are oriented toward trade primarily with Russia. They receive raw material from there and Russia is a sales market for their finished products. But, as of today, trade with Russia is extremely difficult if only because of the demand for prepayment introduced by Ukraine. Russia can be a sales market if goods are delivered there without demanding prepayment. As a result of this requirement problems have arisen for the Foton plant, although Russian trade is ready to buy Simferopol television sets in order to sell them there.

The government will contribute to concluding agreements, including on the territorial principle. Perhaps on this basis we will succeed in setting up mutual deliveries of finished products so as to invigorate industry and

agriculture. Additionally, we will search for financial resources for resolving the agrarian situation. Perhaps steps will be taken to work on incomplete construction projects. It would be hard to speak of this with complete confidence at this point.

[Savchenko] Will privatization be started in Crimea? The previous deputy corps, as we know, placed a moratorium on it.

[Chernyavskiy] Privatization is being dragged out disgracefully in the Crimea. The Ministry of Economics has prepared a privatization program that will be submitted to the government for discussion and then to the Supreme Council. We already have a thick file of applications from enterprises for privatization, although I must say that the directors have various attitudes toward this process. The four trade ports that ended up on the list for privatization according to the edict of the president of Crimea (and Ukraine also) are categorically against it. And world experience suggests that the majority of ports in the world are not private property. But the enterprises are basically in favor of privatization.

Since Ukraine considers a number of enterprises to be its property it could begin the privatization process itself. Certain steps have already been taken in this direction, incidentally. By an edict of the Ukrainian president a state petroleum and gas holding company has been created in which the Chernomorneftegaz Association accounts for more than half of the property. This alarms us extremely.

[Savchenko] You have exchanged the chair of a scholar for the post of minister—is that the fashion today?

[Chernyavskiy] It seems to me that the activity in the ministry is interesting and forward-looking, and, of course, I am counting on doing something useful for Crimea, for otherwise it would not be worth getting into this. But our Moscow team began to work in a very difficult period. The situation may get worse for a number of reasons that are beyond our control. The government of the transition period is very much under the gun. It can always be accused of allowing things to get worse than they were. We are in a difficult situation because our work with the Supreme Council is not going smoothly and we do not know when it will. But the most dangerous thing now is not to do anything. The government will take steps in all the directions earmarked in the program.

[Savchenko] Is your ministry's team fully staffed?

[Chernyavskiy] It is very difficult to recruit people. The salary of the minister is about 1 million karbovantsy. The workers will receive even less.

Naturally, it is difficult to find educated, energetic people who are willing to work for such wages.

[Savchenko] How much time does the Moscow team intend to spend working in Crimea? Will you last long?

[Chernyavskiy] I do not know how long we will last. But catching up with things, learning about the enterprises, drawing up more concrete action plans, implementing them, setting up stable contacts with Kiev, and evaluating the first results of the reforms will take a minimum of about two years. We would like to be useful to Crimea, the Crimean economy, and the people who are living on this peninsula.

Chernobyl's Future Viewed From Inside

PM2406120594 Moscow IZVESTIYA in Russian 23 Jun 94 p 2

[Report by Anatoliy Druzenko, Leonid Kapelyushnyy, and Boris Reznik under the rubric "Independent Journey by IZVESTIYA Correspondents Across Independent Ukraine": "Part Seven. Chernobyl, June 1994..."]

[Text] Kiev-Chernobyl—Arriving in Kiev, we bought the newspapers and read: "Yet another accident at Chernobyl AES's [nuclear electric power station] second power unit." Naturally, we headed for the station.

It is silent in the 30-km exclusion zone. Not a single vehicle passes us. On each side of the track are what look like low tumuli overgrown with grass (these are homes or scaffolding dug into the ground). We drive past the silent fifth (now almost ready for action) and sixth units and roll up to the square that is so familiar from photographs and cinema and television stills, where the Ilyich [Lenin] whose name the station bears stands as if on sentry duty. In the control center little green letters on a dark screen carry an advertisement for the seances of some healer who works miracles and can even cure "the evil eye." Probably people go there believing and hoping, but thinking that the station itself needs to be cured of "the evil eye."

We go to see the director, where it turns out that we have been beaten to the mark by television journalists from the popular Ukrainian independent television company "Tete-a-Tete." They are on a special assignment: to dispel fears. And here in the main controller's room shift chief Sergey Sharshun is already smiling broadly into the microphone:

"Dear citizens of Kiev, nothing serious has happened at our plant. If anyone thinks that he has a tickle in his throat, let him drink a little mineral water—the background round here is absolutely normal...."

He is calm—sincerely calm—yet in Kiev there is once again the sort of agitation which cannot be measured in numbers. Everyone is asking: What has happened there this time, and once again at the ill-starred second unit; there has already been a hydrogen explosion there, damaging the turbine and bringing down the roof. What now?

"No, it is not an accident this time, not an accident," Sharshun assures us, as he has just assured television

viewers. "It is a mundane unscheduled situation. A crack had formed in the metal of a vessel containing contaminated water. But it was emptied, as laid down in the safety procedure, into an empty container nearby...."

Whereupon they remind you that the same sort of thing has happened at other stations—at the Leningrad Station, for instance—and no one has been bothered except the specialists; but here of course, there is the "nark of Chernobyl."

There is a watershed of consciousness here: Outside the station there are global fears on account of the Chernobyl catastrophe, its consequences, and most of all—God forbid—the possibility of a repetition; while inside the station itself everything is normal, a repetition is impossible, the first unit could operate until the year 2007, the others—longer still, and they should be allowed to do so.

You can understand the Chernobyl people. They live under constant pressure: The station could be closed down at any minute. Three times the Ukrainian parliament has adopted—and revoked—such a decision. The government is the same: Now it promises that the station will continue to operate, now it signs a statement on the time scale for closure. True, Kravchuk has been here, promising his support; moreover, a directive has been issued to start up the second unit by the end of next year.

Everything is as it should be, but every straw in the wind, even the lightest, the Chernobyl people themselves say, inclines the answer to the question "To be or not to be?" toward "not to be." Especially since the world community is still on its guard, and since at the beginning of July the G-7 heads of state are meeting in Naples especially to examine the question of shutting down the Chernobyl station. There is a direct conflict of interests between the 25,000 inhabitants of the new city of Slavutich, which was built for the AES employees, and the ideas of the U.S. and French presidents, the British and Japanese prime ministers, and the German chancellor....

The Chernobyl personnel are confident, and they would reassure the G-7 leaders, if they could get to Naples. And it is clear why. They came here from all over the Union, they earn good money—from 3 million to 87 million karbovantsy, which in local prices is actually quite a lot—and most of all they live with amenities which they could not even have dreamed about before, some in excellent apartments, many in individual homes built on the BAM [Baykal-Amur Railroad] principle: There is a Yerevan quarter, a Vilnius quarter, a Tallinn quarter, a Moscow quarter.... Must they lose all this at a stroke?

At the station we met several veterans who worked here before the catastrophe, and continue to do so (they are actually called "predisasterites"). They are strong, healthy people. But then we discovered that such people only constitute 10 percent of the present work force. Where are the rest? Where have they gone, what shape did their destinies take? We were told absolutely nothing of consequence on this score.

You can also understand Sergey Parashin, the station's current director, who took up the post only two months ago. He has one constant concern: to preserve the station and to keep the collective from a social and psychological explosion. So he talks about speculation on the consequences of the disaster ("the more brazen ones milk the situation for all it is worth"). It is possible that this does happen, but in our tour of the Crimea and Truskavets sanatoria we had seen sick children with "Chernobyl-related" illnesses. Here, both at the station and in Slavutich—we sensed this—they somehow abstract themselves from the tragedy. They live, as is seemingly natural, concerned with their immediate cares—their work and daily bread. And they see many things in "their own" light. Take the aforementioned G-7. Are they worried about safety? No way! They want to close Chernobyl first, in order to close down the Russian stations with similar reactors afterward. Why? To acquire a new sales market, since the major corporations which produce equipment for AESes are going bust. So they are pushing their interests through the nuclear lobby in various international organizations....

It is not for us to judge how serious such hypotheses are, but that they exist is a fact. All the same, you get a sense of some confusion from the Chernobyl people's calm and assurance. But are they really working with faultlessly safe equipment? Is there really absolute radiation safety in and around the station itself?

As many people know, today the Chernobyl AES's most vulnerable spot, its Achilles heel is the "sarcophagus" under which the fourth power unit was buried. The press and the television from time to time report that the "sarcophagus" is not hermetically sealed and that radioactive substances are being discharged through it into the atmosphere—and in considerable quantities.

"Is this true or not?" we ask Boris Goncharov, the station's deputy head engineer.

"Right now," he explains, "we are indeed closing chinks in the 'sarcophagus' which have formed where the reinforced concrete structures join. But total hermetic sealing is not only unnecessary but actually dangerous. There must be a constant interchange of air within the covering. As for discharges from the 'sarcophagus,' they are within the permitted norm."

That is a specialist's viewpoint. How are we nonspecialists to judge it? If everything is within the norm, that means everything is in order. But it turns out that there are other specialists with a different view. Back in Kiev, we phoned the Ukrainian State Inspectorate for Nuclear and Radiation Safety and spoke to Deputy Chairman Anatoliy Demyanenko. His opinion is that the Chernobyl AES must be shut down, and as quickly as possible, since according to many parameters it fails to meet world safety requirements. And all is not well in the "sarcophagus," he believes: There should be no leakages from it, and the interchange of air should be carried out not "anyhow," but through special ventilation pipes.

But most important of all, inside the reactor of the destroyed unit, buried under the "sarcophagus," the upper plate has shifted to an angle of 45 angles. What if it falls? What will happen, what will be the possible discharge, and where and how far will the wind carry the death cloud?

Another "stress factor" for station employees and Slavutich inhabitants is the ambiguity of assessments, expert analyses, and conclusions. But it is not just their own drama, as it were "genetically" fixed in the Chernobyl tragedy. Deceit, falsification, and vagueness continue to characterize the situation, and all the while the question hangs over station: To be or not to be?

As we were leaving we saw the sun set over Slavutich—it was breathtaking. There are giant catfish in the rivers, although not for eating, you understand....

Belarus

BNF Leader Analyzes Election Defeat, Sees No Role in Runoff

WS2406130394 Minsk BELAPAN in Belarusian 1200 GMT 24 Jun 94

[Text] One of the reasons representatives of democratic forces did not advance to the second round of presidential elections lies in their disunity—this according to Viktor Ivashkevich, secretary of the Belarusian Popular Front [BNF] Executive Board, while speaking to BELAPAN about the results of the 23 June presidential elections.

He recalled that BNF had once appealed to presidential candidates Karpenka and Shushkevich to withdraw their candidacies in support of [BNF Chairman] Zyanon Paznyak. Karpenka was forced to do that, but Shushkevich did not take this step, and the democratic forces now have to pay for the shortsightedness of such a policy. Still, even if there had been no disunity among democrats, Ivashkevich believes Lukashenka would still have had a better chance for victory. "Our citizens still want to try the taste of communism," the BNF secretary said, "let them do that."

Asked what tactics the BNF will use in the second round, Viktor Ivashkevich replied as follows: "We will not participate in the dispute between the communists and Komsomol members (this relates to Kebich and Lukashenka—BELAPAN). The front will concentrate on the consolidation of its ranks and preparation for the parliamentary elections."

Lukashenko on First Round Success in Elections

LD2406141794 Moscow ITAR-TASS in English 1359 GMT 24 Jun 94

[Report by BELINFORM correspondent Nikolay Nazarovich for TASS]

[Text] Minsk 24 June TASS—"What has happened came as a sensation only for those who refused to face the truth," said Belarusian presidential candidate and presidential race leader Aleksandr Lukashenko commenting on his success in the first round of the elections.

"The poor and deprived people for the first time had a chance to elect their like to the supreme state post, and the people said its word," Lukashenko told BELINFORM over the telephone today.

Speaking of his further plans against corruption, Lukashenko said "all the high-ranking officials accused by the parliamentary commission against corruption remain on their posts. They are ready to do everything to finish the construction of their villas."

As for his election program, the presidential candidate noted they have "outlined three areas: To keep in check

the inflation and price increase, work against corruption and establish close economic relations with Russia."

Lukashenko's team has elaborated "a block of proposals to solve the economic problems, stop the production recession within six months, resume the work of enterprises, bring people back to their jobs and create more jobs." He said they hope to do it with the assistance of Russia.

Appeals for Support in Round 2

WS2706105494 Minsk BTK Television Network in Belarusian 1800 GMT 24 Jun 94

[Statement by presidential candidate Alyaksandr Lukashenka on 24 June; place not given—recorded, in Russian]

[Text] Dear compatriots!

I thank you for the courage and civic-mindedness that you displayed in the first round of presidential elections, having given me over 45 percent of your votes. Notwithstanding systematic provocations and a stiff embargo on information, my team and I have felt your constant support. After 23 June, the distribution of forces in the political arena has fundamentally changed, since you not simply voted for the first president, but actually passed a vote of no confidence in the policy of the current Belarusian Government and local bureaucratic authorities. It is a turning point in the development of our society on the path toward democracy. I am sure that we will complete our task. There are only a few days left, and you will acquire the power which you want, in which you have believed, and which will not cheat you. I believe that the second round of voting will confirm your will.

I appeal to all who voted for other candidates in the first round to determine—with whom do you stand? Are you defending the old corrupt authority, which has lost touch with the people, or are you supporting a resolute renovation of our state? I appeal to you to go jointly on the path of honesty for the good of every one of you, my dear compatriots. I am sure that together we can preserve the peace and civic accord during these difficult times, and these will become a guarantee of Belarus' future flourishing.

Praises Voters, Outlines Plans

WS2706104994 Minsk RESPUBLIKA in Russian 25 Jun 94 p 6

[Interview with presidential candidate Alyaksandr Lukashenka by Nikolay Nazarovich on 25 June; place not given: "I Am Grateful to the Voters"]

[Text] [Nazarovich] Alyaksandr Hryhoravich, how would you explain such a tremendous, sensational lead over your rivals?

[Lukashenka] What took place was a sensation only for those who did not want to see the truth. For our team, however, this was a disappointment, because we had counted on more votes and a victory already in the first round. I believe that this is not a sensation for the people either. The impoverished, destitute people for the first time had an opportunity to elect a man from their circles. So the people expressed their views. I would like to show my gratitude to everyone who voted in my support. This is first. Second, I believe that all the best, the most suitable Supreme Soviet deputies found themselves in my ranks.

[Nazarovich] How are you going to work on the second round of the presidential election—to unmask corrupted officials or to present a creative program?

[Lukashenka] I was simply responding to all those assaults and mud that was thrown at me. Regarding the unmasking, I will again repeat: Those who are involved in corruption must not remain in power. After all, all who were debunked by our commission have not repented. They are ready to give up everything, in order to complete construction of their houses. Yet, can one do that at the current wages? This means that the people are again being plundered.

Regarding the second part of your question, during these two weeks we will pay special attention to explaining the creative potential of our program. We have set up three primary directions—curbing inflation and price hikes, fighting corruption, and establishing close ties between Belarus and Russia. We have currently prepared a package of issues concerning resolutions to economic problems, in order to stop decline in production as early as in six months, to put enterprises into operation, to return fired people to their old work places, and to create new work places. We want to do that with the help of Russia, which, I hope, will meet us half-way.

I will not retreat from the electoral battle, and I will not withdraw my candidacy, even under the most extreme threats against me.

Kebich Aide Refutes Rumors of Plan To 'Disrupt' 2d Round

WS2706085794 Minsk BELAPAN in Belarusian 2100
GMT 25 Jun 94

[Text] In an interview with ZVYAZDA on 25 June, Uladzimir Zamyatalin, secretary to Belarusian Prime Minister Vyachaslaw Kebich, commented on the results of the first round of presidential elections. In particular, he said: "The prime minister realizes that there have been no elections since 1990. He understands the primary motives which guided people during the presidential elections. The point is that the people voted not against Kebich but against the current developments in the Republic." Uladzimir Zamyatalin voiced doubts over fears that when Lukashenka comes to power he will begin with repressions.

The press secretary refuted rumors that the Kebich team will attempt to disrupt the second round of elections. He stated that Kebich and his team have not yet discussed his withdrawal from the elections.

New Deputy Interior Minister Appointed

WS2406124894 Minsk BELAPAN in Belarusian 1200
GMT 24 Jun 94

[Text] Yuryy Radzyukevich, first deputy chief of the Hrodno Oblast Internal Affairs Directorate, has been appointed deputy interior minister of Belarus. As BELAPAN has learned, this was announced by Interior Minister Uladzimir Danko at a meeting of the Hrodno Oblast Internal Affairs Directorate Collegium.

Hryb Discusses Russia, Economy, 'Partnership'

WS2406114594 Poznan WPROST in Polish 26 Jun 94
pp 48, 50, 55

[Interview with Belarusian Supreme Soviet Chairman Myacheslaw Hryb by Maria Graczyk in Minsk; date not given: "Love Dictated by Common Sense"]

[Text] [Graczyk] Was the proclamation of independence in 1991 a mistake?

[Hryb] It is certainly difficult for us to maintain the sovereignty that we achieved then, especially from an economic point of view. However, which of our neighbors finds things easy? Even though all changes call for some effort, we are not going to give up our independence.

[Graczyk] However, there remain increasingly fewer attributes of it.

[Hryb] So far we have not lost anything—we have our own territory, borders, and Constitution. The official language is Belarusian. In fact, we also have our own economy—a meager and limping economy, but it is still our own, independent economy. We have already adopted a packet of sovereign legal provisions and international agreements, concerning, for example, human rights. Belarus is the first country in the world which had strategic nuclear weapons on its territory and abandoned them voluntarily. Does this not prove the sovereignty of our Republic?

[Graczyk] What about the presence of Russian troops?

[Hryb] It is an historical necessity; it is our historical legacy that we cannot evade. We cannot demand that our neighbor all of a sudden withdraw all of its troops. To where should it withdraw them? We have signed a bilateral agreement in which we consider this state of affairs to be only temporary. Actually, apart from the Baltic states, no one treats this issue that rigorously. We must understand Russia, which is not to blame for this situation. The CIS is, in a way, like a family which exists only thanks to the art of compromise. This also holds true for relations with our eastern neighbor.

[Graczyk] What are these concessions all about?

[Hryb] We agree to the dates for withdrawing troops which have been proposed by the Russians and we provide assistance in transit; the Russians sell us energy resources at lower prices. We are all but forced to use that source. Perhaps other sources will emerge in the future; however, for the time being we must live and cooperate somehow. We are realists.

[Graczyk] Is this desire to be embraced by Russia dictated by common sense? This is at least how the agreement on merging the Belarusian and Russian monetary systems is interpreted.

[Hryb] Signing this agreement does not at all mean a combination of the monetary systems. This would be possible only after the Supreme Council ratifies the agreement or after appropriate amendments to the Constitution are made. For the time being, nine articles of this agreement have come into force; they concern, among other things, taxes and tariffs. Personally I am an advocate of integration; however, the integration should not be achieved with such great steps.

[Graczyk] What will be the next step? The military and financial steps have already been taken.

[Hryb] The agreement on collective security, which was signed in Tashkent, is not a military alliance. It merely envisions cooperation between members states of the CIS in the area of armament; our Army will not survive without it. Since the arms industry of the post-Soviet states is strongly decentralized, we are practically required to cooperate with each other. For the time being, there is also no uniform ruble zone. Both in Belarus and in Russia many milieus are against this concept. However, I must concede that it would be much easier for us if we bought energy sources for instance, for the same prices as the Russians buy them. Right now they sell oil for \$80 per ton, whereas they offer the same amount of oil to their own enterprises at \$40. It is obvious that this affects the cost of production. Aside from that, it is first of all Russia that constitutes the market for our goods. We will not sell them in Poland or in the West.

[Graczyk] The Baltic states, which until recently were also strongly tied to Russia, are facing similar problems. Even though they achieve various results, they are still trying to reform their economies.

[Hryb] I do not agree with the statement that we were in a similar situation as the Baltic states. First of all, Soviet authority came to Belarus in 1917, not in 1939. This is a quite important difference. Second, our economy was more dependent on Russia and other Soviet republics. Third, after the war we did not have reserves of gold or hard-currency deposits abroad. Regretfully, it must also be noted that Western states have all along treated the Baltic states differently than they have treated us.

[Graczyk] Why has Belarus not even tried to embark on a reform program? Why has it chosen to return to Russia instead?

[Hryb] It is not true that we are giving up on reforms. We merely believe that haste is inadvisable in this case and that it can be very dangerous. We do not have any guarantee that if we implement reforms and destroy some branches of the economy, such as agriculture, for instance, we will find someone who will feed us on the following day. The attempts to privatize agriculture have failed in Lithuania and the land is now fallow. We believe that people who live in the countryside should themselves choose a method of working: they can be farmers, lease holders, or they can remain collective farmers. Before we destroy anything, we should build something new, and only then should we decide what is to be done with the old structures.

[Graczyk] However, the privatization of agriculture is very slow and land has been leased to only 3,000 people.

[Hryb] No one can be made to do anything by force. Whenever I visit collective or state farms, I ask people if any of them want to lease land from the state. No one ever does. Why? First, it is a new phenomenon; second, it is difficult; third, it yields profit only after some time. The lease holder can then only count on himself because the state, unfortunately, provides him with too little assistance. Now, on a collective farm he is guaranteed low but still sure wages and assistance from his fellow workers.

[Graczyk] Many investors, including foreigners, would be interested in private activity. However, they are discouraged by the fact that no reforms are being implemented. So far less than \$550 million has been invested in Belarus.

[Hryb] We have already registered more than 1,000 foreign companies and joint-venture companies. Privatization is rather slow because we cannot afford the costs of restructuring. Belarus has probably the largest budget sector among all the republics of the former Soviet Union—we maintain 2.5 million senior citizens and we subsidize to 2.2 million people who were victims of the Chernobyl catastrophe. Thus, almost half of our society is maintained by the state budget. These circumstances force us to carefully consider all contingencies before making any changes.

[Graczyk] Do you not fear that the price for this caution may be, in the long run, the state's independence?

[Hryb] People will always judge the government; they will compare the present living standards with the previous period. In that period their lives were undoubtedly easier. Thus, they are now beginning to blame both the government and independence for this fact.

[Graczyk] Therefore, the solution to this problem is the establishment of a Belarusian-Russian confederation?

[Hryb] So far the issue of political structures with Russia or other CIS states has not been discussed at all. We are only discussing economic cooperation. However, I must concede that there are also people who are dreaming about more than that and who are striving to achieve it.

[Graczyk] It seems that Belarus is the only country in this part of Europe which does not believe that Russia is trying to conduct an imperial policy.

[Hryb] We cannot complain about the cooperation with our eastern neighbor; we manage to successfully resolve many problems. Russia has more important tasks today than building an empire; the most important task for it is to overcome the crisis and improve the economy.

[Graczyk] The Belarusian opposition claims that Minsk's decision of whether or not to join the "Partnership for Peace" depends directly on Moscow.

[Hryb] We support this American idea; however, we do not conceal the fact that it needs some finishing touches. Your suggestion that we depend on Russia in this area does not correspond to the truth. The most important problem for us is first of all money. After joining the "Partnership" we would have to spend \$5 million a year to implement it. This is the only reason why we have not yet signed the document.

[Graczyk] Soon you will cede your powers as the head of state to the first Belarusian president. What will be—in line with the Constitution—the mutual relations between him, the parliament, and the government?

[Hryb] These issues will be finally decided after the elections. We would like the new president to be able to take part in discussions on this subject. Along with political scientists, we are seeking to find the optimum distribution of power. We are realists, after all.

Minister for Chernobyl Affairs Views Effects of Disaster

AU2406194494 Berlin DIE TAGESZEITUNG in German 23 Jun 94 p 7

[Interview with Ivan Khenik, Belarus minister of Chernobyl affairs, by Gerd Rosenkranz; place and date not given: "Chernobyl Avoided in the Election Campaign"]

[Text] [Rosenkranz] What role does the Chernobyl disaster play in your country's presidential elections?

[Khenik] Fortunately, none of the candidates has made use of this bad situation. Not in the polluted regions either.

[Rosenkranz] Why fortunately? The catastrophe has made people sick, has burdened the budget and economic perspectives. Does the population not want the candidates to tell them what the future will be like?

[Khenik] Our people understand very well what effects the disaster still has on the country. Take the 18-percent

Chernobyl tax that we have had to levy on all firms. There have never been any complaints or protests about it, although it makes life more difficult than it already is. The disaster has been inflicted on our people together, and people are aware of this.

[Rosenkranz] Does this mean that there is no polarization of opinion between the presidential candidates on this issue?

[Khenik] No. Most of the candidates have tried to avoid this issue in their election campaigns. The central priority in the elections is our economic development.

[Rosenkranz] What are your feelings in Belarus as you watch the Chernobyl nuclear center in the Ukraine still operating?

[Khenik] My country has repeatedly appealed to Ukrainian President Kravchuk and the parliament in Kiev to cancel the decision to maintain operations and reopen the reactor. Unfortunately, we have not even received an answer to our request to their parliament. Kravchuk asked us to understand that there is no other solution owing to the current economic situation in Ukraine.

[Rosenkranz] Belarus does not have any nuclear power stations, but of all the countries concerned it is suffering the most from the effects of the accident. Are you getting any support from the former Soviet Union?

[Khenik] Russia is the only state of the former USSR that supports us economically. This year, President Yeltsin wants to increase payments to 40 billion roubles.

[Rosenkranz] Of the humanitarian help that your country gets from the West, 82 percent comes from voluntary organizations and individuals, while only 18 percent is from the states. Are people in the West more sensitive to your problems than governments?

[Khenik] It is true that only now, after eight years, has an agreement come about with the German Government on cooperation in fighting the effects of Chernobyl. Fortunately, several German land governments have shown more human decency and have supported us, especially Hesse and Lower Saxony. But it is true that social organizations and individuals have been doing a great deal more.

[Rosenkranz] In spite of this situation there have been discussions going on in Belarus on whether the problem of energy supplies could not best be solved by constructing nuclear power stations. Would a party or a presidential candidate taking such a position stand a chance of being elected?

[Khenik] No. That is why this issue is systematically avoided in candidates' speeches. No president would be in a position to decide on the construction of nuclear reactors by himself, without a referendum. There is no possible location where this would not lead to massive protests.

[Rosenkranz] What do you think the outcome of a national referendum on that issue would be?

[Khenik] People would, of course, be against nuclear power, no doubt about that. There is no other option: We will have to find non-nuclear, alternative sources of energy.

Moldova

Secret Service To Cooperate With Russians

LD2406182394 Moscow ITAR-TASS in English 1642 GMT 24 Jun 94

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev [Chisinau] 24 June TASS—Russian and Moldovan secret services should pool their efforts against criminal activities that threaten the safety of Russian and Moldovan citizens, Moldovan National Security Minister Vasile Calmoi said here today before signing the treaty on cooperation with the Russian Federal Counter-Intelligence Service.

Service head Sergey Stepashin arrived in Kishinev today on an official visit.

The treaty provides for information exchange and interaction of the Russian and Moldovan secret services against terrorism, contraband, illicit arms sales, drug trafficking. The two services will also prevent attempts of citizens of third states to use Russian and Moldovan territories for illegal transit.

The sides take an obligation not to carry out force or subversive actions against each other. In the words of Calmoi, Moldova and Russia have signed similar agreements with the Ukrainian Secret Service.

The treaty is another proof that Russian secret services plan no subversive actions against Kishinev, a representative of the Russian Federal Counter-Intelligence Service's delegation told ITAR-TASS. Russia keeps to unconditional recognition of independence and territorial integrity of Moldova.

Speaking of the Trans-Dniester problem, the official said it "should be settled only peacefully and the Federal Counter-Intelligence Service will help it with all legal means."

Stepashin and Calmoi will leave for the Trans-Dniester region on Saturday to visit Russian troops stationed in the area.

Russian 14th Army's Lebed Criticizes Tiraspol Leadership

AU2406201594 Chisinau BASAPRESS in English 2040 GMT 22 Jun 94

[Text] Tiraspol, ROMPRES, 22/06/1994—General Lebed again criticized the Tiraspol leadership in the newspaper DNESTROVSKAYA PRAVDA. He stated that "the current Dniester leadership has exhausted all its possibilities: it can be changed through anticipate elections in the presence of observers of international organizations." Lebed insists that such elections be held at all management levels. In his opinion, a referendum on the confidence to president Igor Smirnov should be held. Lebed stated that the Tiraspol leaders have no future as "they quarreled with everyone: their friends did not come at power in Russia and they destroyed the economy." Commenting on the terrorist act against prosecutor Luchik, Lebed alleged that the attempt could have been framed by certain Tiraspol officials. "The assassin will not be traced out because he is among us," stated Lobed. He mentioned that everyone points to Bergman to deceive the public. He also stated that Dniester's entry into the Union of the Unrecognized Countries along with Abkhazia, Crimea and other republics will condemn Tiraspol to an eternal unrecognition. Referring to his relations with the Moldovan leadership, General Lebed pointed out that "as long as Mr. Snegur who instigated the fratricidal war is at power I have nothing to talk with him regardless of how much I should be provoked to do this." According to him, the only Moldovan official with whom he discussed was Varnia mayor Cornescu. Lebed discussed with him the fate of the military subunit located near this village.

Wants New Government in Dniester

LD2406193494 Moscow INTERFAX in English 1612 GMT 24 Jun 94

[Text] Commander of the Fourteenth Russian Army, Lieutenant-General Aleksandr Lebed once again criticized the Transdnistrian leadership and proposed that new elections be held to all power bodies in the self-proclaimed Transdnistrian Republic.

"We showed people for whom they have been fighting and revealed their tricks when running Transdnistria," Lebed said in an interview with the Dnestrovskaya Pravda newspaper today. He added that the present power had completely outlived its time and that the composition of all its bodies must be changed through early simultaneous elections monitored by international organizations. It would be good also to vote confidence in current President Igor Smirnov, Lebed said.

He said that Transdnistria had no future with its present leadership. "The Transdnistrian people will only be facing more disasters and finally Transdnistria as a republic will decay from its roots with no external interference. Moldova has realized this, calmed down

and is just waiting. Only Tiraspol is reluctant to understand this. The local leaders are rushing ahead without thinking about the disaster lying ahead," Lebed said.

Lebed said he believed that the Transdnistrian leadership must not count on the Russian opposition's coming to power. "It is even worse than utopia to hope that Alksnis or Umalatova will come to power. It is something fantastic—not smart enough. As far as Zhirinovskiy is concerned, nobody knows definitely whether he will need Transdnistria when in power," Lebed said.

Lebed categorically refuted the accusations that he had concluded a hidden agreement with Moldova and certain Russian forces interested in the elimination of the non-recognized Transdnistrian Republic. "While Mr Snegur, who has blessed this fratricidal war, remains in power, I have nothing to say to them," Lebed said.

Stepashin Praises Counterintelligence Work of 14th Army

LD2506134194 Moscow Radio Rossii Network in Russian 1300 GMT 25 Jun 94

[Text] Sergey Stepashin, director of the Russian Federation Counterintelligence Service, today visited the 14th Russian Army stationed in the Dniester area. He was accompanied by the Moldavian [Moldovan] Minister for National Security, Vasile Calmoi. An ITAR-TASS correspondent has learned that Sergey Stepashin praised the work of military counterintelligence in his conversation with the commander of the 14th Army. They also exchanged views on the agreement on cooperation signed between Russian and Moldavian special services.

Cited on Cooperation Agreement

LD2606075294 Moscow ITAR-TASS World Service in Russian 1638 GMT 25 Jun 94

[Report by ITAR-TASS correspondent Valeriy Demetskiy]

[Excerpts] Kishinev [Chisinau], 25 Jun—In the course of his official visit to Moldavia [Moldova], Sergey Stepashin, director of the Russian Federal Counterintelligence Service (FCS), today visited the Dniester region. He went there together with Vasile Calmoi, national security minister. During the trip the head of the FCS had a meeting in Tiraspol with Aleksandr Lebed, commander of the 14th Russia Army, which is stationed there, and was acquainted with the operation of its special section.

The ITAR-TASS correspondent has learned from Tiraspol that the meeting with Gen. Lebed was held in camera. Oleg Gudyma, deputy security minister of the as yet unrecognized Dniester Republic, who arrived at the Army headquarters, was not allowed to attend the meeting. Speaking to journalists in Tiraspol, Sergey Stepashin said he was satisfied with the agreement on cooperation between the Russian FCS and the Moldavian National Security Ministry, which was signed in Kishinev 24. [passage omitted]

On the problem of the Dniester region, representatives of the Russian FCS said: "It should be settled only peacefully, and Russian special services will assist this process using all legitimate means."

Kazakhstan**Prime Minister Tells Supreme Council He Will Not Resign**

LD2406195494 Almaty KAZTAG in Russian 1430 GMT 24 Jun 94

[Text] The morning Supreme Council session on 23 June was attended by Prime Minister Sergey Tereshchenko, who for three hours had to answer questions from parliamentarians.

The head of government had a difficult time answering questions. Deputy Vladimir Chernyshev announced that he, as all the citizens of the Republic, for the past 64 months has suffered from difficulties caused by the transitional period and asked whether the government intends to use the population's money in reforms that are being carried out. According to him, without this it will not be possible to fulfill the targets.

If only 32 ministers participate in building the market economy, the prime minister said, we will not achieve anything. It is important that the whole nation understands the need for the introduction of new economic relations and actively participates in this. With regard to the population's money, the government envisages restoring the people's trust in depositing their money in savings banks.

Answering other topical questions Sergey Tereshchenko said that ministers are appointed in accordance with the existing Constitution. He himself never wrote a resignation application and does not intend to do so in the near future. Under the present difficult and objectively shaped conditions replacing the government will not lead to the immediate improvement of the population's life.

The prime minister believes that the division of the former single administration into a presidential and governmental administration, and inclusion [word indistinct] of regional administrations into the latter one, is the right step under the present circumstances. It will contribute to a more effective implementation of a program aimed at speeding up reforms and lifting the country's economy out of crisis. As was reported earlier, President Nazarbayev suggested reducing the time of its implementation to 15 months.

The methodology of defining expenditure and revenue parts of the state budget for the current year has been dictated by the target of bringing inflation down to 8-10 percent. With regard to spending connected with the creation of the military and naval fleet they could be explained by the need to protect the Caspian Sea borders.

With regard to the issue of restoring benefits for certain categories of the population, Sergey Tereshchenko said, this has to be decided by deputies when they endorse the

budget, and they should take into account the real financial capabilities of the state, since you cannot solve all the problems at once.

The government thoroughly supervises the foreign debt of the state for it not to exceed the sum that could be repaid.

Touching upon the subject of the Baykonur space range, the prime minister reminded of a relevant agreement that has been signed with Russia. After its ratification by the parliaments of both countries the republican budget will be replenished at the cost of the lease payment by the neighboring state.

Our agriculture is still too costly. We spend 30-40 percent more per unit of produced good, compared to world standards. Under these conditions, allocation of credits to the agro-industrial complex is absolutely unprofitable. [Word indistinct] mineral fertilizers, new economically beneficial machinery and give it an opportunity [word indistinct]. The state keeps licenses only for 33 types of exported goods.

He said that a change in the tax policy is expected. Taxes charged on entrepreneurial activity will be reduced and penalties for concealing profits will be increased.

In reply to one of the questions, the prime minister said that it is economically unprofitable to stop the construction of a new presidential residence and sport complex. The decision on the construction of them was approved by the previous parliament.

He also said that the implementation of the new program is not simple and it could only be carried out provided that the government and the Supreme Council join their efforts.

Foreign Minister Meets Former French Premier Crisson

LD2406160094 Almaty Kazakh Radio Network in Kazakh 1400 GMT 24 Jun 94

[Text] Kazakh Foreign Minister Kanat Saudabayev today met Former French Prime Minister Edith Crisson. They discussed cooperation between Kazakhstan and the European Union. The strengthening of integrational processes in the world as whole was noted. The minister spoke about the main provisions of the Euroasian union formation concept and the future implementation of the idea. Edith Crisson displayed interest in President Nazarbayev's initiative on creation of the Eurasian union of states. She said that she was impressed by the conceptual nucleus of this initiative. The ambassador of France to Kazakhstan participated in the meeting.

Nazarbayev Favors Agricultural Cooperation With Germany

LD2406195694 Almaty KAZTAG in Russian 1430 GMT 24 Jun 94

[Excerpts] The international "Agroasia-94" exhibition is coming to an end in the republican capital. President Nazarbayev attended on 22 June.

Judging by the number of foreign companies displaying their goods here, we can say that a great number of businessmen are willing to cooperate with Kazakhstan and set up joint ventures with it. This is what President Nazarbayev said during his conversation with Shaffer, a representative of the German Ministry of Agriculture, after he familiarized himself with that country's equipment.

We are willing to manufacture all of them jointly with German companies. This is a beneficial area for cooperation and we have agreed to develop it with Chancellor Kohl.

[words indistinct] a basis has been created for setting up several Kazakhstan-German joint ventures. In particular, everything is ready for starting the joint production of the "Class"-type combines in Akmola, beet-lifters, machinery for pressing and mowing grass, cleaning and grading grain, and pre-sowing soil cultivation. They have been highly appraised by farmers and experts from Kazakhstan's center for testing machinery.

Relevant government agreements are available, [words indistinct] technical documentation has been compiled and buildings have been found. Germany has allocated the "Hermes" special credit line.

Unfortunately, we can't use it now, since the Alem-Bank despite [words indistinct] hasn't provided us with guarantees for the efficient use of the credit and timely return of it. It looks like serious financial decisions have to be taken here. But we should take them, Nazarbayev said, and as soon as possible. This will allow us to start promising new products.

"Why is it important for us to have joint ventures," the president asked. "Because we have a good basis for this. There is a great demand for highly efficient agricultural machinery. We have metal for it. At the initial stage we will have to purchase parts and units but later on we will be able to master their production and create powerful industrial complexes. [words indistinct] one of the directions followed by the civilized world." [passage omitted]

The president showed interest in the technology by leading companies of the world used in the protection of plants and processing of agricultural produce, highly efficient equipment which could be used in food industry and laboratory equipment for checking its quality. He also familiarized himself with the latest achievements in telecommunications, and electronic and power engineering systems of communications, which are being

displayed by businessmen from 16 countries of the world at the "Atakent" business center.

Government Continues Privatization of Agricultural Sector

LD2406155394 Almaty Kazakh Radio Network in Kazakh 1400 GMT 24 Jun 94

[Text] Removal from state control and the privatization of state farms is in full swing in the Republic. It concerns state farms that process and service enterprises of the agro-industrial complex. In order to channel this process, the Cabinet of Ministers regularly listens to accounting reports from the heads of the oblast administrations and enters the necessary changes. On 24 June, the members of the government met with Saparbek Kunanbayev, first deputy head of the Kokshetau Oblast administration, and Viktor Chumakov, deputy head of the Kostanay Oblast administration.

Summing up the results of the discussion, Prime Minister Sergey Tereshchenko, Agriculture Minister Zhanibek Karibzhanov, Kozy-Korpesh Yesenberlin, chairman of the State Property Committee, and other members of the government noted the unsatisfactory situation in the denationalization and privatization of the agro-industrial complex in the republic and entered a number of concrete proposals aimed at improving the situation.

At the next meeting with a similar agenda, the heads of the East Kazakhstan and Semey Oblast administrations will report on the work being done to restructure the agro-industrial system.

Fourth Privatization Auction Held in Almaty

LD2406161194 Almaty Kazakh Radio Network in Russian 1400 GMT 24 Jun 94

[Text] The fourth privatization auction was held today. But one cannot see any special activity going on at privatized enterprises. In fact, the giants of industry are never on sale, although at this auction the caliber of enterprises varied. Among the 45 enterprises offered for sale are those of the light industry, fuel and gas supplying, and machine-building.

As has been expected, the least demand of the approximately 100 funds participating in the auction, was in construction industry enterprises, because their capacity is small, the infrastructure is not there, and the production base is weak. But such enterprises as the Akmolinsk spinning and weaving mill or the Karagandaodezhda joint stock company were objects of serious battles. The outcome of the fourth auction is as follows: 85.3 percent of stock were sold. Of 104 funds that contested the tenders, 83 funds bought shares. The others lost owing to deliberately low starting prices.

Concern at Falling Oil Exports Via Russia

LD2406184094 Moscow INTERFAX in English 1612 GMT 24 Jun 94

[Text] The Kazakh Government has decided to speed up the commissioning of an oil pipeline from Atyr oil fields to the Chimkent and Pavlodar refineries via Aktyubinsk and Kzyl-Orda regions. The measure follows the country's dwindling oil exports which almost completely dried up in May, President of state Munaigaz holding company (production, refining and marketing of fuel) Bulat Yelemanov said in an interview with the Kazakh Panorama newspaper.

Kazakhstan whose annual oil output runs at about 17 million tonnes has no direct access to export pipelines or sea ports having to export crude oil via Russian territory.

Experts say the project will cost some \$500 million to implement. Yelemanov said that a 7 km-length pipeline to be commissioned by the end of 1996 had already been laid down.

He accused Russia of blocking all outlets for Kazakhstan's oil exports. Yelemanov said Russian oil agencies offer too high prices for pumping oil through Russian territory or refer to overcapacity on export pipelines. Worse still, Russian oil refineries which handle Kazakh oil now refuse to accept it because of glut.

Officials in Alma-Ata [Almaty] maintain that Russia does not want to honor its obligations. It has now agreed to handle only one million tonnes of Kazakhstan's crude oil instead of three million tonnes as provided under the contract. Experts say the country exported only 285,500 tonnes of crude via Russia in the first quarter of this year, which is 75 percent of last year's level.

Tajikistan**Supreme Council Approves Military Prosecutor's Office**

LD2506121794 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 25 Jun 94

[Text] The Presidium of the Supreme Council has approved by decree [words indistinct] the military prosecutor's offices of the Republic.

The general public prosecutor and the defense minister are to set up the structure and status of the military prosecutor's offices. The Council of Ministers has been instructed to allocate resources for the Ministry of Defense to maintain the military prosecutor's offices.

The decree is signed by Emomali Rakhmonov, chairman of the Supreme Council of the Republic of Tajikistan.

Russian General Says Opposition Responsible for Attacks

LD2506165694 Moscow INTERFAX in English 1542 GMT 25 Jun 94

[Text] Deputy commander Aleksandr Bespalov of the Russian border troops told INTERFAX that the Tajik Government-in-exile was directly responsible for the terrorist actions against Russian servicemen in Tajikistan.

According to Bespalov, forces of the Black Imam group played the leading role in the terrorist actions. General Bespalov described them as fanatical and exceptionally ferocious. The latest assault on Russian border guards was reported in Dushanbe on 24 June.

Bespalov said that on orders from the Tajik opposition leaders and the commander-in-chief of the opposition forces Rezvon, opposition buildup continued in the Shuroabad, Darvaz and Bakhorak directions on the Afghanistan-Tajikistan border.

The Tajik opposition leaders issued orders for the Badakhshan group of forces to move from central Afghanistan to the border areas and eventually into Tajikistan. Iranian, Pakistani, and Saudi mercenaries had joined the Tajik fighting units. A field hospital for Tajik forces and mercenaries had opened in the Afghan city of Chakhiab. Nationals of Islamic countries worked on its staff, General Bespalov said.

All that proved, Bespalov said, that the Tajik opposition leaders aimed to launch a new round of hostilities. Those who opposed moves for peace on the Tajikistan-Afghanistan border and inside Tajikistan, he stressed, would be held responsible for escalating violence.

Tehran Talks Unlikely To Produce Cease-Fire Agreement

LD2606204794 Moscow ITAR-TASS in English 2039 GMT 26 Jun 94

[by ITAR-TASS correspondent Oleg Kuzmin]

[Text] Tehran 26 June TASS—The second round of talks between the Tajik Government and opposition leaders, which is to complete here on Monday, has not marked any considerable breakthrough so far. According to well-informed sources, the conflicting sides are unlikely to sign an agreement on a cease-fire for the period of the Tehran talks. However, the negotiating parties still hope to break the deadlock.

The second round of Tajik talks is expected to result in signing a protocol to reiterate the commitment of both the former Soviet republic's government and anti-government forces to a political settlement of their differences at the negotiating table, the U.N. special envoy for Tajikistan told TASS on Sunday [26 June]. Another protocol is expected to be signed with a view to set up a joint commission, which will discuss settlement

issues in periods between the rounds of talks. This commission will work in Moscow.

In their respective interviews with TASS, the negotiating parties accused each other of dragging out the talks and rejecting any compromises. A Russian observer noted, however, that the opposition leaders could give up linking the proposed cease-fire to political amnesty in Tajikistan, termination of criminal proceedings against political detainees and freedom to political parties and the press. The government delegation agrees to these demands in principle, but stresses that a cease-fire should come first.

Russian Troops Kill 'Opposition Militants' on Afghan Border

LD2706081094 Moscow ITAR-TASS in English 0723 GMT 27 Jun 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 27 June TASS—An unspecified number of Tajik opposition militants were killed over the weekend when Russian border guards in Tajikistan shelled the frontier with Afghanistan cutting short three armed attempts to break into the Central Asian republic.

The Russian frontier troops in Tajikistan said on Monday the strikes were delivered on river crossing areas by border guards of the Pyandzh and Moskovskiy Districts.

None of the Russian soldiers were wounded.

Uzbekistan

United Nations Allocates \$1 Million for Privatization

LD2506180194 Tashkent Radio Tashkent Network in Russian 0000 GMT 24 Jun 94

[From the "Birzhevoy Vestnik Vostoka" program]

[Excerpts] The UN Development Program has allocated \$1 million in support of privatization in Uzbekistan for a period of 12 months.

A BVV [Birzhevoi Vestnik Vostoka] correspondent was told by Julian Watts, the director of programs of industrial development of the UNO/UNIDO [UN Industrial

Development Organization], that this amount will be used for consultation services, expertise of privatization legislation, setting up of a program of mass privatization together with the State Committee on Property, the creation of a modern information system, and audit and accounting services. [passage omitted]

According to the State Committee on Property, 53,000 enterprises out of the 65,000 registered have changed their form of ownership over the two years of privatization. Mainly shareholders' societies and small family enterprises have been set up. The privatization of housing is over. Approximately 1 million apartments, or 98 percent of their total number, have been privatized. The privatization of light industry enterprises will start shortly and finish by 1 May 1995. The method of creating open shareholders' societies has been chosen. Similarly, it is expected that foreign capital will take part.

Here is some more sensational news. The privatization of patrol stations has started as an experiment, though according to the present regulations they belonged to enterprises that could not be privatized. [passage omitted]

Karimov To Work for New Currency Convertibility

LD2706090794 Moscow INTERFAX in English 0632 GMT 27 Jun 94

[Text] On Saturday [25 June], Uzbekistan's President Islam Karimov told his ministers and government executives that the Republic would work for the convertibility of its new currency unit—som, respect for it at the international marketplace and its high buying potential. The som is to replace the som-coupon on the domestic market on 1 July. The som-coupon was introduced in November 1993.

Karimov called for the priority of exports and increased production of competitive goods.

He was worried about the growth of prices for many items on the domestic market and demanded tighter control of commercial stores which, he said, bought production of state-managed facilities to sell it at inadequate prices to the population. That, in Karimov's view, could lead to the devaluation of the new currency unit.

Armenia

President, Karabakh Officials Discuss Peace Process

NC2406170494 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 24 Jun 94

[Text] Armenian President Levon Ter-Petrosyan held a consultative meeting today with the leadership of Nagorno-Karabakh. Chairman of the State Defense Committee Robert Kocharyan, Commander of the Defense Army Major-General Samvel Babayan, and Foreign Minister Arkadiy Gukasyan represented Nagorno-Karabakh Republic during the meeting.

The meeting was devoted to assessing the current phase of the settlement of the Azerbaijani-Karabakh conflict, and to discussing future (?options).

The presidential press service reported that State Minister Vazgen Sargisyan, Defense Minister Serzh Sargisyan, Interior Minister Vano Siradegyan, Foreign Minister Vahan Papazyan, Acting Head of the State Directorate for National Security and Ambassador for Special Missions Davit Shakhnazaryan, and First Deputy Foreign Minister Zhirair Liparityan also took part in the meeting.

Karabakh's Baburyan Leaves for Strasbourg Talks

NC2706113194 Yerevan SNARK in English 1117 GMT 27 Jun 94

[Text] Stepanakert, JUNE 27 (SNARK)—Today, the acting Chairman of the Karabakh Supreme Soviet Karen Baburyan left for Strasbourg on the invitation of the European Parliament. Vasily Atajanyan, the Chairman's Counsellor on Foreign Policy, told SNARK a meeting with the Azerbaijan Parliamentary delegation on the problem of the Karabakh conflict's settlement will take place there on June 29.

Iran 'Principal Consumer' of Armenian Machinery

NC2706061994 Yerevan SNARK in English 1236 GMT 26 Jun 94

[From the "Business SNARK" file]

[Text] Yerevan [dateline as received]—Iranian market has become the principal consumer of Armenian machinery. Last year, over 90 percent of machine export went to Iran, for a sum totalling nearly half-million dollars. As told the head of machine-production Administration in the Armenian Industrial Ministry, Vardgues Majaryan, appearance at the Iranian market has saved many machine- building plants in Armenia from bankruptcy, since the CIS market, due to blockade and transport problems, has become inaccessible. During the whole last year only 70 machines were exported to CIS countries. However, as thinks Majaryan, the relatively high demand for Armenian machines in Iran is not an escape from the hard situation in which the industry has

found itself. The thing is that Iranian market has purely consumptional and mediatory character, rather than industrial purposes. Thus the milling engine, which costs 4 to 5 thousand dollars, is sold to Iran at a half-price. As thinks the head administrator, the production of heavy machines in Armenia is not justified, since their sale is difficult. The machine building industry passes today to the output of small universal machines, the demand for which is rather high.

Status of Gas Pipeline Construction to Iran Unsure

NC2506140294 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0646 GMT 25 Jun 94

[Text] Yerevan ("GOLOS ARMENII" Daily-Past), 06/25/94—It's hard to say for sure, what is the current situation regarding the construction of an Iran-Armenia gas pipe-line, though official discussions in this regard were being carried for several years. The information from official sources is quite contradictory.

According to RA [Republic of Armenia] Governmental press service, the matter is getting no further than negotiations, and representatives of both sides continue discussion of construction details.

At the same time, RA Ministry of Fuel and Energy reported that the negotiations have been finished, and projecting work is currently being done.

Azerbaijan

Russian, CSCE Officials Cable Aliyev on Cease-Fire

NC2406202794 Baku Azerbaijan Radio Televiziyasi Television Network in Azeri 1600 GMT 24 Jun 94

[Text] Vladimir Kazimirov, the plenipotentiary representative of the Russian President, and Jan Eliasson, chairman of CSCE Minsk Group, sent a letter to Azerbaijani President Geydar Aliyev.

The cable says: Esteemed Mr. President, during the consultations held in Moscow on 22 and 23 June concerning the resolution of the Karabakh conflict, we noted with satisfaction that the cease-fire called for on 12 May through the Russian mediation and CSCE's support is generally being observed. The cease-fire agreement that has been ratified with the signatures of the defense ministers and army commanders is an essential factor for ending the dispute. However, we express our uneasiness at the human loss and material damage recently caused by several clashes on the Armenian-Azerbaijan border. We regard any attempt to violate the cease-fire as dangerous.

Within the framework of our joint efforts, we call on all the sides to adhere to the following in order to end the conflict:

1. The sides should demonstrate in words and deeds their loyalty to the obligations they have undertaken in signing the cease-fire agreement.
2. The sides should avoid any hostile activity that may undermine the atmosphere of confidence, which is being created.
3. The sides should take adequate [preceding word in English] measures to peacefully resolve and remove the existing disputes.
4. With a view of signing a political agreement to end the armed conflict and in order to further activate the peace process, the sides should resolutely take advantage of the existing peaceful situation. They should make a strenuous effort to put into effect the clear demand for an end to the bloody conflict between the people and the solution of all the contentious issues at the negotiating table.

Advisor Comments on Message

NC2406204194 Baku Radio Baku Network in Azeri
1700 GMT 24 Jun 94

[Text] On 20 June, Jan Eliasson, chairman of the CSCE Minsk Group, and Vladimir Kazimirov, President Boris Yeltsin's special envoy, conveyed a joint letter to President Geydar Aliyev, President Levon Ter-Petrosyan, and the head of the Armenian community in Daghyk Karabakh on the need for the consolidation of the cease-fire agreement in the region. An AZERTAC correspondent has asked Vefa Gulizade, state adviser on foreign policy affairs, to comment on the letter. He said the following:

I wish to stress that the letter is the initial outcome of the effective cooperation between the CSCE and the Russian Federation. Jan Eliasson held talks with [name and title indistinct], First Deputy Foreign Minister Adamishin [name as heard], and Vladimir Kazimirov in Moscow during the past few days. The need to find a peaceful solution to the dispute between Armenia and Azerbaijan within the CSCE framework was emphasized. The representatives of the nine CSCE Minsk Group members will meet in Vienna on 7 July. Vladimir Kazimirov will also attend that meeting. The most important point in the letter is the call to the disputing sides to take advantage of the cease-fire and sign a political agreement to completely end the bloody confrontation and move to resolve all the problems through talks.

Aliyev, Russian Envoy Discuss Karabakh Situation

LD2606175994 Moscow ITAR-TASS in English 1753
GMT 26 Jun 94

[By ITAR-TASS correspondents Sevindzh Abudllayeva and Viktor Shulman]

[Text] Baku June 26 TASS—It is critical to retain what has been already achieved in the negotiating process by concentrating efforts of all interested parties, including

Russia and the CSCE, upon a full-scale agreement on Azeri-Armenian settlement, according to the Russian president's special envoy for Nagorno-Karabakh Vladimir Kazimirov.

On Saturday night, Ambassador-at-Large Kazimirov arrived in the Azeri capital Baku to discuss some political aspects of the Karabakh settlement.

On Sunday, Russia's special envoy met Azeri President Heydar Aliyev. During the meeting, he reported, in particular, about the consultations held in Moscow earlier this week by head of the CSCE Minsk group for Nagorno-Karabakh Jan Eliasson, who also met with Vladimir Shumeyko, speaker of the Russian Parliament's upper house and chairman of the CIS Interparliamentary Assembly, and Russian First Deputy Foreign Minister Anatoliy Adamishin. In the course of these meetings, the participants discussed problems related to the Karabakh settlement.

Kazimirov stressed the need for pooling efforts of all concerned parties in strengthening the regime of the cease-fire agreement between Armenia and Azerbaijan. This issue is to be considered at the forthcoming meeting in Vienna with the participation of the conflicting sides and mediators. In accordance with preliminary agreement with the Minsk group chief, the meeting is scheduled for early July and thus will coincide in time with a meeting of the CSCE Interparliamentary Assembly. The Armenian and Azeri parliament chairmen are likely to be invited to this meeting.

The Azeri president agreed that the pooling of efforts by the conflicting parties, and CSCE, Russian and CIS mediators, as well as of neighbouring countries was critical to the peace-making process. He believes that to achieve a durable peace in the region, it is necessary to liberate the occupied Azeri lands, to create conditions for refugees to return to places of their permanent residence, to restore communications between the two warring republics and to provide security guarantees for ethnic Armenians living in the Nagorno-Karabakh enclave.

For this purpose, Aliyev stressed, "we are ready to work in close contact with the CSCE, Russia and other mediators". He also assured Kazimirov that "Azerbaijan is not seeking to use the respite in hostilities for developing muscles, inventing accusations of the other side, conducting political manoeuvres and fuelling a propaganda campaign".

After his consultations in Baku, Kazimirov is planning to visit the Armenian capital, according to some sources. He is expected to leave for Yerevan on Sunday night or on Monday morning, the same sources reported.

Aliyev Meeting With Kazimirov Reported

NC2606190394 Baku Radio Baku Network in Azeri
1700 GMT 26 Jun 94

[Text] President Geydar Aliyev received Vladimir Kazimirov, President Yeltsin's competent envoy on the Daghyk Karabakh problem, today. Aliyev and Kazimirov agreed that the cease-fire is not being heeded in the western areas and that the existing situation requires that the principles must be consolidated so that a peaceful solution can be found to end the war.

Vladimir Kazimirov briefed Geydar Aliyev on CSCE Minsk Group Chairman Jan Eliasson's visit to Moscow and his talks with Vladimir [name indistinct], chairman of the Russian Federation [word indistinct] and chairman of the CIS Interparliamentary Assembly, and Deputy Foreign Minister Adamyshin. He said that the main issue that was discussed was the question of finding a peaceful solution to resolve the dispute between Armenia and Azerbaijan. He noted that the outcome of the talks indicated that Russia and the CSCE maintained a similar approach. In view of that, the sides must benefit from the political experience and positions of Russia and the CSCE.

President Aliyev said that he highly assesses the talks Jan Eliasson has held with the political circles in Russia. He described the general agreement reached between the representatives of the CSCE and Russia as a concrete step in the effort to find a peaceful solution to the war.

Later, the sides discussed the possibility of benefiting from the experience of the Middle East countries and Turkey, which are neighbors with Armenia and Azerbaijan. Geydar Aliyev noted that the participation of the representatives of Iran and Turkey in the effort to find a political solution to the problem is essential. He also said that holding political consultations with them is equally important.

State Adviser Vefa Gulizade and Foreign Minister Gasan Gasanov attended the meeting.

Kazimirov, Aliyev Support Turkish Role

TA2606183294 Ankara TRT Television Network in Turkish 1700 GMT 26 Jun 94

[Omer Kebapcioglu report from Baku]

[Text] Vladimir Kazimirov, President Yeltsin's special envoy to Nagorno-Karabakh, who is conducting shuttle diplomacy to solve the Azerbaijani-Armenian conflict, arrived in Baku again last night. He was received by President Geydar Aliyev this morning. Kazimirov said Russia believes the active participation of Turkey and Iran in the efforts to resolve the Nagorno-Karabakh problem would be beneficial. He explained that he went to Tehran to hold talks with this aim and that Iran agreed to the proposal in principle. Kazimirov said he will soon go to Ankara with the same proposal.

Aliyev said he finds the proposal favorable. He said he supports the current developments, which started with a cease-fire and continued with a letter sent to the leaders of the sides concerned. The active participation of Turkey and Iran, Aliyev said, might make a solution easier.

Aliyev pointed out that Turkey is a member both of the CSCE and of the Minsk Group. In this respect, he said, we attach great importance to the participation of Turkey in particular.

Aliyev Meets Iranian Officials Prior to Tehran Trip

MK2406094094 Moscow NEZAVISIMAYA GAZETA in Russian 23 Jun 94 p 3

[Unattributed NEGA report from the "Azerbaijan" column: "Geydar Aliyev Plans To Go to Tehran, Receives Iranian Diplomats"]

[Excerpt] President Geydar Aliyev has received representatives of Iran's Foreign Ministry: Deputy Foreign Minister Morteza Sarmedi and culture representative Ramin Mekhmanperast [names as transliterated]. The Azerbaijan president said that in spite of his busy schedule he always, and with great pleasure, receives guests from Iran, also expressing profound condolences over a recent tragic incident in Iran: an explosion at the Mashhad mosque.

The Iranian guests spoke about their visits to the Ministry of Culture and Press, the TV and Radio Company, and the Ministry of Foreign Affairs. During a meeting at the Foreign Ministry the sides came to the general conclusion that the situation in the region is extremely unstable and calls for more intensive interstate contacts, discussions, and joint political actions because what is going on here noticeably impacts on world politics.

In this respect Geydar Aliyev's upcoming visit to Iran is very important. Sarmedi stressed that the close friendly links that have been established between the two states should be thoroughly strengthened because these interrelations influence the whole region. President Aliyev for his part said that he is making serious preparations for his visit to Iran, attaches great importance to it, and hopes that the negotiations there will substantially help consolidate friendship and cooperation between the fraternal peoples.

The meeting then went into a closed session, as was the case with the meeting between Azerbaijan parliament speaker Rasul Guliyev and UN representative to the republic Mahmud al-Said [name as transliterated]. After a brief welcome speech the journalists were asked to go, leaving them, as usual, to guess at the content of the upcoming talks. Journalists from Habar-Service only managed to learn from a foreign diplomat that the UN appropriates to Azerbaijan \$31-32 million in humanitarian aid while local UN officials want to have this sum increased to \$40 million. [passage omitted]

Usubov Calls for Extradition Accord With Iran

*LD2506114094 Tehran IRNA in English 0927 GMT
25 Jun 94*

[Text] Baku, June 25, IRNA—Interior Minister of the Republic of Azerbaijan Ramil Usubov Friday called for an agreement with Iran on extradition of offenders and cooperation in campaign against drug traffickers.

He made the call in a meeting with Iranian Ambassador to Baku 'Ali Akbar Nehavandian.

The ambassador touched on the escalation of perpetration of crimes against Iranians in the republic and called on the relevant officials to pursue the case. Nahavandian did not dismiss possibility of links between the crimes and the forthcoming visit to Iran of President Geydar Aliyev and stressed that no doubt such criminal acts were carried out by certain power sources to prevent boosting of mutual ties. President Aliyev is to leave for Iran next week.

Pointing to the unrestricted entry of people to both the countries, Usubov warned against infiltration of certain elements affiliated to sabotage groups. He regretted deplorable happenings for Iranians in Azerbaijan and said that necessary instructions had been issued in order to decisively confront those involved in such incidents. The minister underlined the importance his country attaches to Iran and said Baku would not allow such crimes to be repeated in future. He said that Azerbaijan has recently signed an agreement with Turkey on extradition of offenders and in case a similar contract would be signed with Iran, runaway culprits would be arrested and extradited.

Some ten days ago the body of an Iranian national identified as Mohammad Seyyed was found at his residence here who had been murdered heinously.

Due to the follow up of the Iranian Embassy, the Azeri president ordered formation of an ad hoc committee by the interior minister to probe into crimes against Iranians in that republic. However the Azeri media did not give coverage to the murder of the Iranian national.

Nakhichevan Statement Notes Armenian Truce Violation

*NC2406154294 Baku TURAN in English 1102 GMT
24 Jun 94*

[Text] Baku (June 23) TURAN: Today the press service of Nakhichevan's Supreme Mejlis issued a statement which reads that having violated the truce agreement, Armenian troops launched an attack towards the villages of Yukhary and Ashagy Buzgov in the Babek region on June 18 and on June 19-20 towards the Sadarak Region of Nakhichevan.

Earlier on May 28 Armenian troops attacked the village of Gunnet in the Sadarak Region and moved 1 kilometre further into Nakhichevani territory. Armenians seized

several strategically important hills and shelled the region centre of Sadarak. As a result five Azeri soldiers have been wounded and several housings have been damaged.

However, after that attack the representatives of Armenia and Nakhichevan reached the agreement banning escalation of tension on the border. Resumption of aggressive activities shows that Armenia's authorities ignore the efforts by the international organizations aimed at restoration peace in the region.

The press service of Supreme Mejlis of Nakhichevan calls on the world community to exert pressure in the Republic of Armenia to stop its aggression against Nakhichevan Autonomous Republic.

Officials Meet To Discuss Kusarskiy Region

*NC2406153294 Baku TURAN in English 1102 GMT
24 Jun 94*

[Text] Baku (June 23) TURAN: Today the State Commission for investigation of the Kusarskiy incident, which took place on June 14, 1994 in the village of Piral, is to meet with the Lezghin community of the Kusarskiy Region. The State Commission is headed by Vice-Premier, Chairman of the State Commission for interethnic relations, Abbas Abbasov.

As was earlier reported, there was an armed conflict between the policemen and the citizens of Piral village, as a result of which one person has been killed and several have been wounded.

Lezghins demanded removal of the Procurator and the Chief of police of the Kusarskiy Region from their duties and punishment of the policeman involved in murder.

Several media reported that Lezghin community intended to conduct a rally in the Kusarskiy Region centre. An employee of Azerbaijan's Ministry of Internal Affairs, Fatulla Guseynov, told TURAN that the Lezghin community did not inform the authorities about their intention to conduct rally in the region centre.

Popular Front Party Warns of 'Social Explosion'

*NC2506140194 Baku TURAN in English 1107 GMT
25 Jun 94*

[Text] Baku, June 24 (TURAN)—Ibragim Ibragimli, first deputy of Azerbaijan Popular Front (APF) told at today's press-conference that a year ago, by transformation of Abulfaz Elchibey's authorities of President to Head of Supreme Council Geydar Aliyev, the Milli Mejlis legalized coup d'etat made by Suret Huseynov on June 4, 1993.

According to Ibragimli, the situation in the country for the past period became more complicated and the country is on the edge of social explosion. He noted that

the opposition submitted to leadership a pact of antic-risis proposals, but has not received an answer yet. "Leadership reinforced repressions against opposition", said he.

Ali Kerimov, APF deputy for political issues noted that one of the reasons of coup d'etat in the republic was a fraud of the public. "An opinion, that if Geydar Aliyev comes to power, all the problems in the country will be settled, was formed prior to the coup d'etat, that is why the attitude of public to such change of power was quite indifferent" said he.

According to Kerimov, over the past year, Azerbaijan on many positions was trown back, due to that political and economic life of Azerbaijan was damaged. "Azerbaijan's entering the CIS and joining the Agreement for collective security was the reason for location of foreign troops in the counrty, transformed state border of Azerbaijan into the border of CIS. And involvement of Russian company "Lucoil" to the unitised project for the development of offshore oil reserves means the owning by Russia the treasures, totalling several billion dollars", said Kerimov.

Kerimov noted that inconsistency and contradictoriness of foreign policy brought to the loss of West's support in peaceful settlement of Armenian-Azeri conflict. "After the new leadership came to power, Azerbaijan had lost 20 percent of its territories and more than million people became refugees", he noted.

According to Kerimov, loss of professionalism in the government brought the country to economic chaos; corruption and bribery increased greatly. "Present hard situation is not the result of economic reforms, they have not begun in Azerbaijan yet. It is the result of slovenliness and nonprofessionalism", said Kerimov.

Kerimov said that Azerbaijan will not take part in the demonstration, scheduled for June 25 by the Alliance of National and Democratic Forces. According to him, the social and economic situation in the country is so hard and tensitive that there are a lot of facts which can drive the population and separare groups to participate in the demonstration.

Centrist Bloc Holds News Conference

*NC2506140494 Baku TURAN in English 1107 GMT
25 Jun 94*

[Text] Baku, June 24 (TURAN)—A press-conference of Azerbaijan political parties' Central Bloc was held today in the head-quarter of "Ana Veten" party.

The conference was devoted to summing up the activity of Central Bloc during last month. The party "Ana Veten" presided over in the Bloc during that period. Participants appreciated activity of Bloc. Current problems of the day were also discussed.

"Events which took place in Kusarskiy were not of national character. It was an error committed by leadership in national policy and in selection of personnel", that was the unanimous opinion of the conference participants.

Fakhraddin Aydaev, head of party "National Equality" noted that national policy of leadership comes to denying the existence of national problem in Azerbaijan. Then he noted that there was not resistance between the Lezghins and Azeri people, but the Lezghins problem exists.

Answering to journalists concerning the involving of "Sadval" to the events in Kusarskiy, he said that "Sadval" learned about these events two days later and this organization played a positive role in the settlement of the incident.

Issue concerning a demonstration, scheduled by the National Democratic Alliance for tomorrow was discussed. The participants unanimously opposed the demonstration which can break the fragile stability in the republic.

Aliyev Remarks on Worsening State of Economy

*NC2406143794 Baku TURAN in English 1101 GMT
24 Jun 94*

[Text] Baku (JUNE 23) TURAN: Today newspaper "AZERBAIJAN" published a report of a session devoted to current economic problems, held on June 21 by President Aliyev.

He noted that despite the taken measures the situation in economic sphere worsens. It was noted at the session that low prices for energy sources at inner market and preferential allocation of credits ruined social and economic sphere. In these connection positive assessment was given to President's decrees on quarterly revise of prices for oil and oil products and preferential allocation of credits.

Head of the Parliament Rasul Guliyev noted that despite President's decree "Liberalization of Foreign Trade" there is a great quantity of unsold goods in the warehouses. So in the warehouses of the Ministry for Agriculture are kept unsold goods total 400 million dollars, in SOCAR [Azerbaijan State Oil Company]—100 million dollars, State Committee for Metallurgy—15-20 million dollars. The amount of unsold goods totals 600 million dollars. Products totalling 5-6 million dollars spoil every day.

The issue of privatisation of incomplete construction objects was also discussed at the session.

Rasul Guliyev noted again that "economic reforms should be conducted in all spheres and simultaneously".

Presidential Committee Examines Economic Problems

NC2706053194 Yerevan SNARK in English 1749 GMT
26 Jun 94

[From the "Business SNARK" file]

[Text] Baku [no dateline as received]— An advisory committee headed by Geydar Aliyev had a session June 21 where present problems in Azerbaijan economy were discussed.

The President certified that, though the necessary measures were undertaken, the situation in economy is aggravated. Low prices for fuel at domestic market, as well as easy-terms credits played a destructive role in the social and economic sphere.

In this connection, positively were estimated the President's orders on quarterly revisions of prices for oil and petroleum products and on granting credits on easy terms.

Parliament Chairman Rasul Guliyev, appearing on the session, observed that despite the President's order "On Liberalization of Foreign Trade Prices", an enormous amount of goods in the state warehouses remain non-distributed. Thus the Agricultural Ministry has goods for \$400m [million], State Oil Concern for \$100m, and State Metal Concern from \$15m to \$20m. Total price of unsold goods is \$600m. Every day products for a sum \$5m to \$6m turn unfit.

Mr. Guliyev proposed to organize a special advisory commission with powers to distribute the stored products in 6 months period.

The session also discussed the issue of privatization of unfinished construction sites.

Reasons for Delay in Privatization Program Discussed

NC2406145894 Baku TURAN in English 0801 GMT
24 Jun 94

[Text] Baku (June 23) TURAN: The State Committee for property submitted to Milli Mejlis Commissions for Economic Policy and for Budget Supervision new draft of Privatization Program. Discussion of the program was to take place three days ago, but was postponed.

TURAN was told by the source, close to government, that the main reason of that is due to three various approaches to privatization program.

The most influential representative of the first trend is the parliament's speaker Rasul Guliyev. He stands for mass privatization, as in Russia. Such approach is motivated by economic efficiency of such privatization. But supporters of such approach are widely represented in economic structures, as well as in authority structures. In case of mass sale of state property they will become owners of great properties.

Supporters of this approach oppose the monopoly of State Committee for Property concerning privatization questions.

Representative of the second approach is Prime Minister Suret Guseynov. He opposes privatization, referring to continuous war. But such approach is also explained by the fact, that his supporters are weakly represented in industry, and for them privatization would mean loss of positions.

The third approach is reflect in the privatization program and is protected by State Committee for Property. That approach provides gradual and stage by stage privatization—in 1994-1995 privatization of minor enterprises, and beginning from 1996—privatization of average enterprises and large enterprises partially.

In this case social justice is emphasised, and economic efficiency is on the second place. Such option of the Program of State Committee for Property was ready a year and a half ago, when Elchibey was in power.

Georgia

Russian Peacekeeping Battalions Arrive in Zugdidi

LD2406142094 Moscow ITAR-TASS in English 1403
GMT 24 Jun 94

[By ITAR-TASS correspondent Tengiz Pachkoria]

[Text] Zugdidi (western Georgia) June 24 TASS—Two battalions of Russian peacekeepers with about a hundred motor vehicles and armoured personnel carriers arrived in the afternoon on Friday in the Zugdidi area.

Peacekeepers who came from the Russian base in the Georgian city of Batumi, were met by friendly local population and their drivers saluted back blowing their horns.

Hold Positions on Conflict Line

LD2406115494 Moscow ITAR-TASS World Service in
Russian 0727 GMT 24 Jun 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Sukhumi, 24 Jun—Subunits of the Russian peacekeeping forces today occupied positions on the line of the Georgian-Abkhazian confrontation and took checkpoints and observation points under guard. The bulk of the peacekeeping forces consists of subunits of the airborne troops and the group of Russian troops in the Transcaucasus, ITAR-TASS has learned at the headquarters of the joint command of the group of the peacekeeping forces.

The Abkhazia side is represented in the security zone by an airborne battalion. The Inguri GES [hydroelectric power station], an important strategic point, which is supplying electricity to Georgia and Abkhazia, has been

placed under guard. Following a forced march from Batumi to Zugdidi, Georgia's motor rifle battalion has arrived in the region.

The HQ of the joint command of the group of the peacekeeping forces says that the introduction of troops has been carried out after the completion of engineering work. It is thought that by 29 June subunits of the peacekeeping forces will occupy all checkpoints, and that by 9 July engineering work will be completed at all posts and deployment sites.

It has been reported that the 345th regiment deployed on the territory of the Sukhumi military sanatorium will not be taking part in the peacekeeping mission. Deputy Defense Minister Georgiy Kondratyev told ITAR-TASS that the introduction of the peacekeeping forces to Abkhazia is proceeding according to schedule. In his words, the entire area is not to be cleared of mines.

Begin Patrolling Safety Zone

LD2406154194 Moscow ITAR-TASS in English 1445 GMT 24 Jun 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Sukhumi June 24 TASS—Russian peace-making troops reached today the Georgian-Abkhazian confrontation line after a many-kilometer march and started to protect posts and patrol the safety zone along the Inguri river. The zone is 44 kilometers long and 24 kilometers wide, head of the press center of the peace-making troops in Abkhazia Vitaliy Gerasimov told ITAR-TASS today.

Routes and helicopter pads have been prepared by an engineering unit in accordance with the schedule of peace-makers' introduction. Two ammunition storages have been revealed on the Gali-Zugdidi line during works in the rain-washed ground. One of the storages contained 40 boxes with shells, the other—600 mines. They are being rendered harmless.

According to Gerasimov, the troops were located in the area without any incidents. The Russian servicemen are staying at two check points protecting the bridge to the north of Inguri and at 18 control-observer posts. There are five check points and ten posts in the south. All in all, there are four mobile groups in the safety zone.

The main goal of the peace-makers is to clear the zone of various weapons, including fire arms and guns, said Gerasimov. An area of materiel concentration is being formed in Ochamchira and Akhuti.

The population took the troops arrival with understanding and well-wishing feelings. They hope that the six-months-long mission of Russian servicemen in Abkhazia will help to restore peace in Abkhazia.

Impose Curfew on Inguri Zone

LD2406194994 Moscow INTERFAX in English 1707 GMT 24 Jun 94

[Text] A curfew has been introduced in the 12-kilometer security zone along the Inguri river.

The command of the Russian peacekeeping forces took this decision. An address to the population broadcast on Abkhaz television says that the curfew will be in force from 21:00 till 6:00 in the security zone covering 12 kilometers along both banks of the Inguri river.

All people who have arms (except the state management bodies) must give them over to local power bodies. Charges will be brought against those who disobey this order.

All armed people in the security zone except the state management bodies will be detained and cars will be inspected. Peacekeepers are allowed to use arms in case of violation of this order.

Headquarters of the Russian peacekeeping forces in the zone of the Abkhaz-Georgian conflict warned that if there were attacks against detachments and servicemen of the peacekeeping forces they could "open fire without warning."

On Friday two Russian motor rifle battalions came to Zugdidi (western Georgia) from Batumi. Air landing detachments will arrive in Abkhazia's Gali region the same day.

Russia's deputy Foreign Minister Boris Pastukhov, private envoy of the Russian president, also arrived in Abkhazia Friday. He plans to meet with chairman of Abkhazia's parliament Vladislav Ardzinba. During this meeting they will discuss the course of the peacemaking operation and several issues related to the upcoming Georgian-Abkhaz negotiations scheduled for June 30 in Geneva.

Tbilisi Reports Activities

LD2606142594 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 26 Jun 94

[Text] The CONTACT news agency has supplied us with information from the head of state's press secretariat. A group of journalists from the head of state's press secretariat is working in the conflict zone of Abkhazia. According to their information, the distribution of the CIS peace-keeping forces deployed at the Roki hippodrome to initial positions started during the morning of 26 June. Three convoys have already left for Jvari, Anaklia, and Rukhi. Engineers who are preparing border checkpoints together with signallers who are to establish a connection have joined the positions of the southern zone.

Blue helmets have appeared for the first time today bearing the caption: "Peacekeeping forces." There are

approximately 21 units of heavy weaponry that have been distributed to Analkia, Jvari, and Rukhi.

Peacekeepers Complete Deployment

LD2706102794 Moscow ITAR-TASS World Service in Russian 0918 GMT 27 Jun 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Sukhumi, 27 Jun—The deployment of Russian peacekeeping forces along the line of Georgian-Abkhaz confrontation has been completed. The Russian military contingent deployed in the security area on either side of the Inguri river at an equal distance of 12 km is estimated to number 2,500 men. Izida Chanin, head of the information section at the Abkhaz Information and Press Ministry told an ITAR-TASS correspondent today that 1,400 Russian paratroopers are serving on Abkhaz territory.

In her words, the paratroopers are guarding the most vital facilities in Galskiy Rayon, including a hydroelectric power station on the Inguri river. A tough curfew is in force in the area, and the areas in which the peacekeepers are deployed are patrolled on the ground and from the air.

The Abkhaz authorities say that the deployment of the peacekeeping forces proceeded without incident, with not a single post coming under fire. The Abkhaz Information and Press Ministry reports that this assessment coincides with the view of the joint command headquarters of the group of Russian peacekeeping forces. The peacekeeping forces are expected to be deployed at all checkpoints and control and observation posts by 29 June, and by 30 June the remaining Georgian armed formations are to be withdrawn from the Kodori Gorge to areas outside Abkhazia under the supervision of UN representatives.

Nadareishvili Reviews Peacekeeping Operations

LD2706083994 Moscow INTERFAX in English 0627 GMT 27 Jun 94

[Text] Georgian Deputy Prime Minister Tamaz Nadareishvili told Interfax Sunday that as the peacekeeping operation was getting underway, Georgian guerilla units were being withdrawn from the Abkhazian bank of the Inguri River, in particular the Kodori canyon and the Gali, Ochamchira and Sukhumi districts.

June 26 is the day when the operation officially started in the Georgian-Abkhazian war zone. Russian paratrooper and motorized infantry units, trained for peacekeeping operations, are taking positions on both banks of the Inguri. Mine clearing has started and a bridge on the river is being repaired which will hopefully enable Georgian refugees to return to their home in Abkhazia.

Nadareishvili said that nearly 30,000 refugees had returned to the Gali District. The local authorities made

jobs, bread and sugar available to them. Vladislav Ardzhinba, chairman of the Abkhazian parliament who visited the area three days ago and talked to its residents, did not rule out the possibility of setting up local government made up of Georgians.

Nadareishvili admitted that the return of refugees to the Gali District would probably take 12 to 18 months.

He said that Georgian could hardly be able to maintain its territorial integrity as long as the Abkhazians dictate their own terms.

Poll Finds People Optimistic About Troop Presence

MK2506111094 Moscow NEZAVISIMAYA GAZETA in Russian 25 Jun 94 p 3

[Unattributed report under the "NEGA Reports" rubric]

[Text] A poll held by Georgia's sociological services indicates that 44.9 percent think that the bringing of peacekeeping troops to Abkhazia will help restore Georgia's territorial integrity; 38.7 percent think the bringing of peacekeeping forces will have no influence on the restoration of Georgia's territorial integrity, and 16 percent found the question hard to answer.

Abkhazia Conditions Bridge Repairs on Truce Guarantees

LD2406135294 Moscow ITAR-TASS in English 1344 GMT 24 Jun 94

[By ITAR-TASS correspondent Irina Shchegoleva]

[Text] Sochi June 23 TASS—Abkhazia conditioned on Friday the beginning of repair works at two major bridges over the border river of Inguri on firm guarantees that they would not be used by Georgia for combat purposes.

Deputy Premier Enver Kapba, the chief Abkhazian negotiator at the current talks with Georgia, told ITAR-TASS that all repair works at the motor bridge will start only after Russian peacekeepers are deployed to separate the conflicting parties.

"As far as the railway bridge is concerned, (Abkhazia) will start repair works only when the problem of its political status is settled," Kapba stressed.

The deputy premier told TASS that Abkhazia had handed over to the Georgian side a list of valuables removed from the Abkhazian territory during the war. The list included aircraft, sea vessels, motor vehicles, factory equipment and museum rarities among other things.

"To continue our dialogue, it is essential that the Georgian side reimburse at least a part of that damage," Kapba said.

Shevardnadze, Armenians Discuss Relations, Abkhazia

LD2506165294 Tbilisi Radio Tbilisi Network in Georgian 1210 GMT 25 Jun 94

[Text] An Armenian parliamentary delegation headed by Deputy Speaker Aram Saakyan arrived in Tbilisi today. The delegation had a meeting with Eduard Shevardnadze, the chairman of the Georgian Supreme Council and head of state. The conversation dealt with fruitfully developing relations between Armenia and Georgia.

Problems common for the two countries have been considered. In particular, the Armenian representatives pointed out that the return of refugees to Abkhazia is very important for them, too, because a lot of ethnic Armenians, who have also been affected by the conflict, live in Abkhazia. Shevardnadze has said that the Georgian side will appreciate the involvement of the Republic of Armenia in the settlement of the issue.

The conversation also touched upon the work of the two parliaments. The sides have shared their experience.

The meeting was attended by Vakhtang Rcheulishvili, the deputy speaker of the Georgian Supreme Council.

Shevardnadze Orders Organizational Changes in Army

AU2706102794 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 17 Jun 94 p 1

["Order of the Commander in Chief of the Republic of Georgia Armed Forces on the Introduction of Partial Organizational Changes to the Structure of the Republic of Georgia Ministry of Defense"; place and date not given]

[Text] The process of the organizational development of the Republic of Georgia Armed Forces has shown us that the "special purpose," "rapid reaction," "mobile," and other battalions that were created in their time as part of the Republic of Georgia Ministry of Defense Armed Forces are at present having a negative effect on the formation of regular Armed Forces and are creating difficulties regarding the formation of a unified system of commanding and controlling troops. These subunits were brought up to strength mainly by means of enlisting reservists and volunteers.

The structure of the Ministry of Defense Military Police does not correspond to contemporary needs. Military Police subunits are carrying out the same activities as the law enforcement bodies.

In order to create a unified system of commanding and controlling single armed forces, organize effective control over the activities of troops, and form and strengthen the principles of unity of command, I order:

1. Republic of Georgia Ministry of Defense individual military units and subunits, in addition to fulfilling

functions prescribed in accordance with the organizational and authorized structure of the Armed Forces, to be incorporated into the motor rifle brigades.

2. The Military Police Directorate existing in the Republic of Georgia Ministry of Defense system to be abolished and those subunits subordinate to it to be disbanded. The personnel making up these subunits and their combat weapons and equipment to be used in order to bring up to strength other army combined units, units, and military commandant's offices at military garrisons.

3. It to be pointed out that Military Police personnel fulfilled an important role in carrying out the orders of the commander in chief and the Ministry of Defense and in fighting for Georgia's state interests for which I express my gratitude to all officers and combat soldiers.

4. Town and rayon [administrative] heads to be entrusted with resolving the question of finding employment for those serving in the Military Police who do not wish to continue to serve in the Republic of Georgia Armed Forces. They are to report the execution of this order directly to me.

5. Military garrisons and commandant's offices to be created in all towns and rayons where military combined units and units are based; they are to be entrusted with establishing strict military discipline and order among military servicemen.

6. Armed groups and formations located on the republic's territory that do not form part of the Armed Forces to be disbanded and their personnel, weapons, combat equipment, and military property to be used in order to bring up to strength the motorized rifle brigades.

7. The heads of the Republic of Georgia Ministry of Defense, Ministry of Internal Affairs, and the State Security Service to be entrusted with implementing those measures stipulated in the order.

They are to report the execution of this order to me by 15 June 1994.

8. The order to be communicated to the ranking personnel of the Armed Forces.

[Signed] E. Shevardnadze.

Shevardnadze Edict on Appointment of Military Staff

AU2406183094 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 17 Jun 94 p 1

["Edict of the Head of State on the Appointment of High-Ranking Military Officials of the Republic of Georgia Armed Forces"]

[Text] 1. The following are those top-ranking military officials of the Republic of Georgia Armed Forces who,

in accordance with the Georgian Law "on State Power," are appointed to and released from their posts by the head of state:

Republic of Georgia first deputy minister of defense;

Head of the Republic of Georgia Ministry of Defense Main Staff first deputy minister of defense;

Republic of Georgia deputy ministers of defense;

Deputy heads of the Republic of Georgia Ministry of Defense Main Staff;

Commanders of the branches of the Republic of Georgia Ministry of Defense troops;

Commander of the Republic of Georgia Ministry of Internal Affairs internal troops;

First deputy commander of the Republic of Georgia Ministry of Internal Affairs internal troops-chief of staff;

Deputy commanders of the Republic of Georgia Ministry of Internal Affairs internal troops;

Chairman of the Department for the Protection of Georgian State Borders;

First deputy chairman of the Department for the Protection of Georgian State Borders;

Head of the Republic of Georgia National Guard Directorate;

Brigade commanders of the Republic of Georgia Armed Forces;

Rector of the Republic of Georgia United Military Academy;

Republic of Georgia military commissar;

Republic of Georgia chief military procurator-deputy procurator general.

2. The remaining categories of officer personnel are to be appointed to and released from their posts by the heads of the corresponding ministries and departments in accordance with "the Rules for the Performance of Military Service by Officer Personnel in the Republic of Georgia Armed Forces," which were ratified by a decree of the Republic of Georgia Cabinet of Ministers, except for military court judges, who are appointed to and released from their posts by the Georgian head of state in accordance with the Republic of Georgia Law "on Military Courts."

3. To view as invalid Edict Nine of the Georgian Head of State- Commander in Chief of the Armed Forces of 24 May 1993 "on the Appointment of High-Ranking Military Officials of the Republic of Georgia Armed Forces."

[Signed] E. Shevardnadze.

New Defense Ministry Collegium Discusses Problems

LD2406193094 Tbilisi First Program Television Network in Georgian 1600 GMT 24 Jun 94

[Text] A meeting of the Georgian Defense Ministry's newly appointed collegium was held on 23 June. The meeting was conducted by Lieutenant General Vardiko Nadibaidze, the Georgian defense minister. Personnel problems, the provision of foodstuffs and material, and technical resources were the subjects of the straight talk held at the meeting. The defense minister sharply criticized some senior officials of the ministry for a lack of responsibility and negligence in their work that has caused a just resentment among the personnel in some of the military units. It has been indicated that a detailed program for the improvement of the current situation is to be worked up. Members of the military collegium of the Defense Ministry, as well as Armed Forces commanders have to be actively involved in the implementation of this program. Urgent assistance has been requested from the government and the authorities of the republic.

It is necessary to secure maximum efforts, a major sense of responsibility, and emergency operational conditions in order for Georgia to have a single and strong Georgian Army.

Special attention has been attached to problems revealed during the inspection of the 11th brigade. It has been indicated that the leadership of the republic demonstrates deep concern over the establishment of the country's regular army. Special attention toward military units will be increased.

This information was supplied by the Defense Ministry press service.

Shevardnadze Rules on Holding Economic Forum

LD2606151694 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 26 Jun 94

[Text] Decree by the head of state of Georgia:

On measures for preparing a Russian-Georgian conference on the issues of economic cooperation and investment, and with the aim of accomplishing economic agreements signed between Russia and Georgia, a Russian-Georgian conference will be held on 21-24 July of the current year in Tbilisi. The following should be done to this end:

1. The management of ministries and departments of the Republic of Georgia, with the help of enterprises subordinate to them, are to guarantee, by 30 June, the preparation of data of those draft investments which are of mutual interest for Georgian-Russian cooperation. They are also to present suggestions as to which representatives of Russian enterprises will be invited to the conference.

2. Carrying out of the decree is to be monitored by Georgian Deputy Prime Minister Zurab Kervalishvili.

Shevardnadze Tries To Bring Order to Monetary System

LD2506181494 Tbilisi First Program Television Network in Georgian 1600 GMT 25 Jun 94

[Excerpts] Georgian Head of State Eduard Shevardnadze held a meeting today on issues of infringements in the country's monetary policy. Information was presented by the head of a specially established team, Georgian Prosecutor General Jamlet Babilashvili. Brief information on the infringements was presented by Ravaz Shavishvili, the chairman of the Control Chamber. The proceedings of criminal cases on the issues were reviewed by Deputy Interior Minister Jemal Gakhokidze and Roin Enukidze, the head of the Investigation Department of the Georgian Security Service. [passage omitted]

The meeting was summed up by Eduard Shevardnadze. He said that investigating causes of infringements, as well as finding and returning the embezzled money was the principal task. Also important was to find and return the money received by letters of credit from Russia. The Russian Government will be helping us in this.

The head of state demanded that a complete report on monetary policy should be ready by 8 July. Materials on humanitarian aid, licensing, and shortcomings in the system of control should also be ready by that date. On 8 July, these issues will be considered at a session of heads of local authorities and law enforcement bodies of the republic.

Shevardnadze Appoints New Economy Minister

LD2606154994 Tbilisi Radio Tbilisi Network in Georgian 0700 GMT 26 Jun 94

[Text] At the decree of Georgia's head of state Eduard Shevardnadze, Vladimir Papava has been appointed the minister of economy of the Republic of Georgia.

Shevardnadze Appeals to EU Leaders for Economic Aid

LD2406182494 Tbilisi Radio Tbilisi Network in Georgian 1500 GMT 24 Jun 94

[Text] The European Union [EU] summit is opening on the Greek island of Corfu on 24th June. Georgian head of state Eduard Shevardnadze has sent letters to the heads of 12 EU states and to European Commission chairman Jacques Delors.

The Georgian head of state reviewed the difficult economic situation in Georgia and dramatic aftermath of the Abkhazian conflict that has had an adverse effect on current affairs. Apart from that, the letters point out what is thought to be impeding the establishment of

democracy and market economy in the former Soviet republics. And finally, the letters call for the heads of state to support a request that the EU grant aid to Georgia in the face of a difficult winter expected in the country due to insufficient stocks of fuel and bread.

Mr. Shevardnadze has indicated that a strategy to provide new independent states with economic assistance should be devised. This is essential for strengthening democracy and creating market economy in these countries, this being of major importance for stability worldwide.

Shevardnadze Issues Edict To Promote Foreign Investment

AU2406182694 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 17 Jun 94 p 2

[Edict from Head of State Eduard Shevardnadze "on the State Coordination Commission for Promoting the Attraction and Realization of Foreign Investment and Credits"]

[Text] The Georgian head of state has issued an edict to implement in an effective way priority programs and projects aimed at reviving the Republic of Georgia's economy by means of foreign investment and credits.

The State Coordination Commission for Promoting the Attraction and Realization of Foreign Investment and Credits will continue its work with a new staff; its chairman will be Head of State Eduard Shevardnadze and its deputy chairman will be Otmar Patsatsia, Republic of Georgia prime minister.

The commission's senior secretary is Tengiz Geleishvili, the Georgian head of state's adviser on questions concerning foreign economic relations.

The following export groups have been created within the State Coordination Commission for Promoting the Attraction and Realization of Foreign Investment and Credits: fuel and power, industry, agroindustrial, metallurgy, telecommunication systems, construction, health protection, science and technology, environmental protection complexes, and in the private sector sphere.

It is pointed out in the edict that the Republic of Georgia Ministry of Economy along with the Committee for Foreign Economic Relations will examine measures stipulated in the anticrisis program and, proceeding from the interests of the republic's economy, will submit top-priority programs to the commission within two weeks; it is expedient to implement them with foreign investment and credits.

To prepare a general plan of work, the heads of the export groups will elaborate within two weeks a calendar plan for examining investment projects in accordance with top-priority programs and will prepare detailed proposals concerning individual projects.

[Signed] E. Shevardnadze.

Latvia

Citizenship Law Returned to Parliament

LD2606125794 Moscow Radiostantsiya Ekho Moskvy
in Russian 1100 GMT 26 Jun 94

[Text] The Latvian President Guntis Ulmanis will not sign the citizenship law passed by the Saeima and will send it back for reconsideration. This law had earlier been seriously criticized by an official Russian spokesman.

Oil Products Smuggled From Russia

WS2406141894 Riga DIENA in Latvian 15 Jun 94 p 4

[Article by Rita Naseniece: "Haritonovs and the Oil Business"]

[Excerpts] On 8 June the policemen from the 6th Division of the Police Department arrested three employees of the joint stock company TESS Petroleum (I do not mention their names on the investigator's request). The grounds for the arrest were documents found by the police after the arrest of Haritonovs, during a search that caused such discontent on the part of his lawyer.

The documents were discovered at various companies—TESS AB, TESS Petroleum, Brih, ABB, and Amstrig. The investigation group is in possession of documents that prove that the company TESS Petroleum (which is a hundred percent Swedish TESS Petroleum's subsidiary in Latvia) has participated in illegal deals connected with the purchase and delivery of oil and oil products to Latvia. The essence of the deal was: the oil products were bought in Russia at cost, then sent supposedly to Kaliningrad, but in reality sold in Latvia, without paying customs duties. The geographic area of the illegal operations of the "oil syndicate" was rather large—it included Estonia, Sweden, Finland, Russia (including the Kaliningrad region), and, of course, Latvia.

As the Police Department inspectors reported, the police now has documents proving the participation of 19 Russian oil-processing enterprises in the chain of deals. Among them, there are such gigantic oil-industry plants as Groznyi, Volgograd, and Jaroslavl oil refineries. The bosses of these plants, taking advantage of their position, sold the oil to TESS Petroleum at cost, instead of at world prices as should have been done when selling oil to Latvia. According to the documents in possession by the police, the amount TESS Petroleum has paid for the oil products supplied from Russia amounts to \$28,603,176 (in Russian currency, the sum is 22,882,541 Russian rubles). [passage omitted]

The deliveries were addressed to a recipient in Russia—usually a company in the Kaliningrad Oblast, which as a rule refused to accept them. This way, the deliveries found their way to Latvia.

In the documents, discovered in the search, about 10 such Kaliningrad companies are mentioned, that have never received any of the deliveries allegedly sent to their

address. In addition, this provided the opportunity to operate without a license for the purchase, securing additional profit.

At present, I do not have precise information as to what is the total consumption of any of the oil products, for example petrol, in Latvia, and what is the amount of their declared import. One of the experts on economic crimes from the Ministry of Internal Affairs is of the opinion that less than one hundredth of the imported petrol is being declared at the border. In the case of TESS Petroleum, petrol was purchased for 10 cents (approximately 5.5 santims). As is known, in Riga petrol is being sold for 17 - 19 santims.

The profit came from unpaid customs duties. As was explained by our customs officers, for every liter of petrol one has to pay 4 santims in excise tax, and from the total amount an additional 18 percent state tax is to be paid.

The customs papers were sealed with forged stamps, and the signatures were also forged. As a result, Latvia has lost millions that have omitted the Treasury.

Now a little background about the "family tree". TESS Petroleum is a company established two years ago. Its initial capital has come entirely from TESS AB—a Swedish company (please do not mistake it for the Latvian TESS AB). The president of the TESS Petroleum is Patricia Korotejeva, the widow of Rustem Kadirov's brother. Mr. Kadirov, a former inhabitant of Riga, currently a Swedish citizen, is the founder and co-owner—along with Magnus Visland—of the Swedish TESS AB. The task of TESS Petroleum in this oil business was to control the movement of freight-cars loaded with oil on their way from Russia to Latvia. The currency payments were conducted through an Estonian bank. TESS AB is also the founder of another Latvian company—TES AB. On the list of its founders is—together with the Swedish company with its 80 shares of capital—also Ivans Haritonovs (40 shares), Grigoriy Bobovich, and Boris Yelisejev (40 shares each). In the company "Brih," the names of the founders are to be seen in a different combination, but they are the same—they include Bobovich, Haritonovs, and the Swedish citizen Visland as well. Grigoriy Bobovich, a rather little known and quiet person, is at the same time the president of TESS AB. [passage omitted]

Lithuania

Seimas Council Views Baltic Meeting With Clinton

LD2506150594 Moscow ITAR-TASS World Service in
Russian 0813 GMT 25 Jun 94

[By ITAR-TASS correspondent Vladas Burbulis]

[Text] Vilnius, 25 Jun—Lithuania's foreign policy blueprint, the forthcoming Riga meeting between the heads of the Baltic states and the U.S. President on 6 July, the progress of the talks with the CIS, and the recently formulated draft law on the diplomatic service were discussed in

the Seimas on Friday at a session of the coordinating council on foreign affairs. Its head is Lithuanian President Algirdas Brazauskas.

According to a report from the republic's media, presidential adviser Justas Paleckis told journalists that Lithuania's foreign policy blueprint has been drawn up and will shortly be submitted for discussion by the members of the Seimas. "Lithuania must more actively integrate itself into West European economic, political, and military structures, while maintaining good relations with all countries in the world, and primarily with its neighbors, purposefully play the part of an East-West 'bridge' and become a country of international transit. That is, perhaps, the essence of Lithuania's foreign policy blueprint," he stated.

It was also noted at the session that, at the meeting with the U.S. President, it will be necessary to seek a reinforcement of the moral support for independence by economic and social measures, by attracting U.S. investment and also through cooperation in the economic and scientific domain.

Ministry Praises Russian Role in 'Partnership'

*WS2706105294 Tallinn BNS in English 1003 GMT
27 Jun 94*

[Text] Vilnius, Jun 27, BNS—Russia's enrollment in the Partnership for Peace program is an important step indicating the country's determination to participate in the European cooperation process as an equal partner, says Lithuanian Deputy Foreign Minister Albinas Januska.

Russian Foreign Minister Andrey Kozyrev signed NATO's cooperation plan in the presence of U.S. Secretary of State Warren Christopher in Brussels Wednesday [22 June].

In an interview with BNS, Januska also emphasized the significance of other accords between Russia and NATO, which will create "clear and stable relations, enhance stability and security in Europe."

The Lithuanian official said a separate political agreement between Russia and the alliance proves that Partnership for Peace cannot resolve all problems hindering stability in Europe, but is only a part of a possibly much wider strategy.

"It is evident in this context that certain consultations between NATO and Russia, carried out beyond the partnership framework, concerning nuclear arms, their control, problems of mutual disarmament, restrictions on deployment of troops and hot lines for cases of potential conflicts, are understandable in creating an atmosphere of trust in Europe," the deputy minister said.

In Januska's words, Lithuania may also be interested to develop a program for wider cooperation with NATO. Considering Lithuania's determination to become a fully-fledged member of the alliance, and how Lithuania's individual needs to cooperate with NATO will be evaluated, possibilities of a wider accord between Lithuania and

NATO could be discussed, at the same time expanding practical cooperation within the partnership program, Januska said.

Hopefully, the deputy minister said, a role in building European security will be given not only to big, important and well-armed countries, but also to nations, which found themselves in an uncertain security situation not through their own fault.

UK Official Meets Foreign Minister

*LD2506092394 Vilnius Radio Vilnius Network in
Lithuanian 0500 GMT 25 Jun 94*

[Text] Robert Young, assistant under secretary of state at the British Foreign Office, is visiting Lithuania. The guest has met Foreign Minister Povilas Gylys; Homeland Union Chairman Vytautas Landsbergis; Seimas Deputy Chairman Egidijus Bickauskas; Kazys Bobelis, chairman of the Seimas Foreign Affairs Committee; Internal Affairs Minister Romasis Vaitekunas; and representatives of the European PHARE [Poland-Hungary—Actions for Economic Reconversion] program, the UN development program, and the IMF in Lithuania.

Today the guest from Great Britain will visit Kaunas and Klaipeda. He will leave for Latvia on Sunday.

Central Bank Head: Litas Stability 'Must Be Preserved'

*WS2706105094 Tallinn BNS in English 1003 GMT
27 Jun 94*

[Text] Vilnius, Jun 27, BNS—Lithuania's national currency the litas became quite strong during the year that passed since its introduction, and such stability must be preserved, say the present and previous leaders of the Lithuanian central bank.

The litas was introduced June 25, 1993 when the central bank was headed by Romualdas Visokavicius. He told reporters Friday that the introduction of Lithuanian national currency was praised by the International Monetary Fund and the World Bank. In Visokavicius' view, the Currency Board, which was set up after the litas was pegged to the U.S. dollar, will not survive long.

Meanwhile, the bank's current head, Kazys Ratkevicius, maintains that the Currency Board, whose task is to preserve a stable litas-dollar rate, is very useful to the country's monetary policy. But both Ratkevicius and Visokavicius noted that tying the litas to Western hard currency is not enough for the economy to start recovering. Lithuania's industry and gross domestic product must be aimed at Western standards, as well, Visokavicius said.

In Ratkevicius' view, an important factor helping to preserve a stable litas are the central bank's receipts in hard currency. The chief banker said the bank purchased around 60 million U.S. dollars over the past three months.

Ratkevicius also informed reporters that 500 and 1,000 lit bills have already been printed, but there is no need to release them into circulation yet.